一合环保控股
ENVIRO-HUB HOLDINGS LTD
Let's Restore The Environment!

BUILDING ON AGILITY IN DIVERSITY

ANNUAL REPORT 2020

CORPORATE VISION

To inspire the landscape with iconic property developments and restore the environment with technology and solutions.

CORPORATE MISSION

We Excel as one team.

We Grow by extending our value chain.

We Expand geographical boundaries through a global perspective.

We Build capabilities by strengthening our infrastructure.

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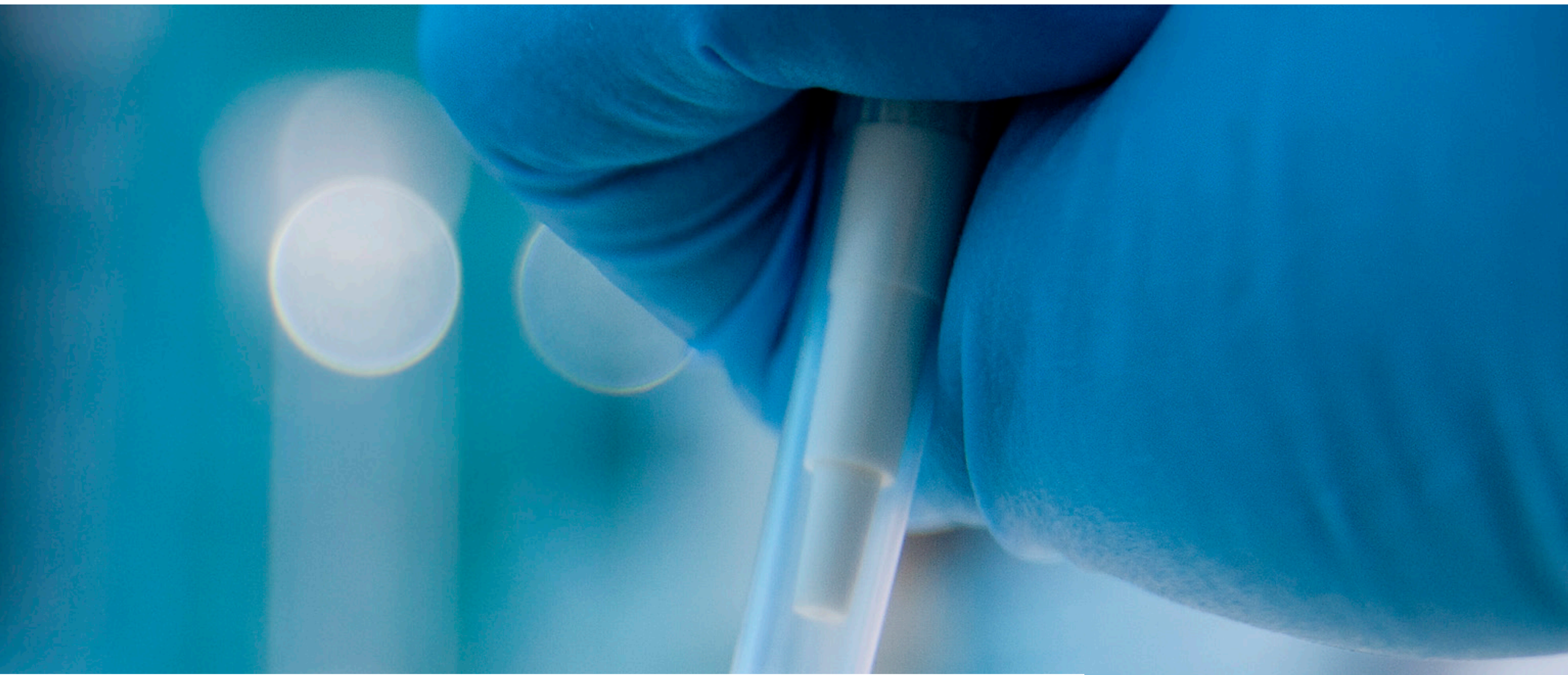

CORPORATE INFORMATION

BOARD OF DIRECTORS
Executive Chairman
Mr Raymond Ng Ah Hua

Independent Directors
Mr Samuel Poon Hon Thang (Lead)
Mr Tan Kok Hiang

Non-Executive Director
Mr Lai Huen Poh

AUDIT COMMITTEE
Mr Tan Kok Hiang (Chairman)
Mr Samuel Poon Hon Thang
Mr Lai Huen Poh

NOMINATING COMMITTEE
Mr Samuel Poon Hon Thang (Chairman)
Mr Tan Kok Hiang
Mr Raymond Ng Ah Hua

REMUNERATING COMMITTEE
Mr Tan Kok Hiang (Chairman)
Mr Samuel Poon Hon Thang
Mr Lai Huen Poh

COMPANY SECRETARIES
Ms Joanna Lim Lan Sim
Mr Lee Wei Hsiung

REGISTERED OFFICE
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Singapore 629519
Tel: 6863 2100
Fax: 6861 2100
Email: info@enviro-hub.com
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REGISTRAR & TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

AUDITORS
KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Audit Partner-in-charge:
Ms Ong Chai Yan
(Since financial year 2020)

PRINCIPAL BANKERS
Hong Leong Finance Limited
CIMB Bank

CORPORATE PROFILE

Enviro-Hub's businesses include:

TRADING, RECYCLING & REFINING OF E-WASTE/METALS

PILING CONTRACTS, CONSTRUCTION, RENTAL AND SERVICING OF MACHINERY

PROPERTY INVESTMENTS AND MANAGEMENT

PLASTICS TO FUEL REFINING

SUPPLY AND MANUFACTURING OF PERSONAL PROTECTIVE EQUIPMENT

Enviro-Hub Holdings Ltd ("Enviro-Hub") is a Singapore-listed organisation with a diverse portfolio that includes trading, recycling and refining of e-waste/metals, piling contracts, construction, rental and servicing of machinery, property investments and management, plastics to fuel refining.

The Group is governed by the Board of Directors under the Chairmanship of Mr Raymond Ng, who has more than 35 years of experience in the recycling industry, and over 20 years experience in the real estate arena. His knowledge and expertise have enabled Enviro-Hub to identify and seize business opportunities to achieve growth across multiple revenue streams.

Driven by a proficient and committed management team, Enviro-Hub has continually paved the way to grow from strength to strength. We are not simply about building structures, but also enhancing the way we live. In line with this, our businesses focus on sustainable living, which include the provision of total WEEE (waste electrical electronic equipment) solutions, recovery and refining of platinum group metals, as well as recycling of ferrous and non-ferrous metals. These are part of our efforts to create a sustainable future and reinforce our brand presence around the globe.

The Group possesses a seamless value creation chain in our total environmental management solutions and services. Enviro-Hub is a globally trusted brand, renowned for our commitment to innovation and excellence.

In the building and construction sector, Enviro-Hub has successfully developed a solid reputation by leveraging on the capabilities of our subsidiaries and associates, actively contributing to the creation and evolution of Singapore's dynamic cityscape.

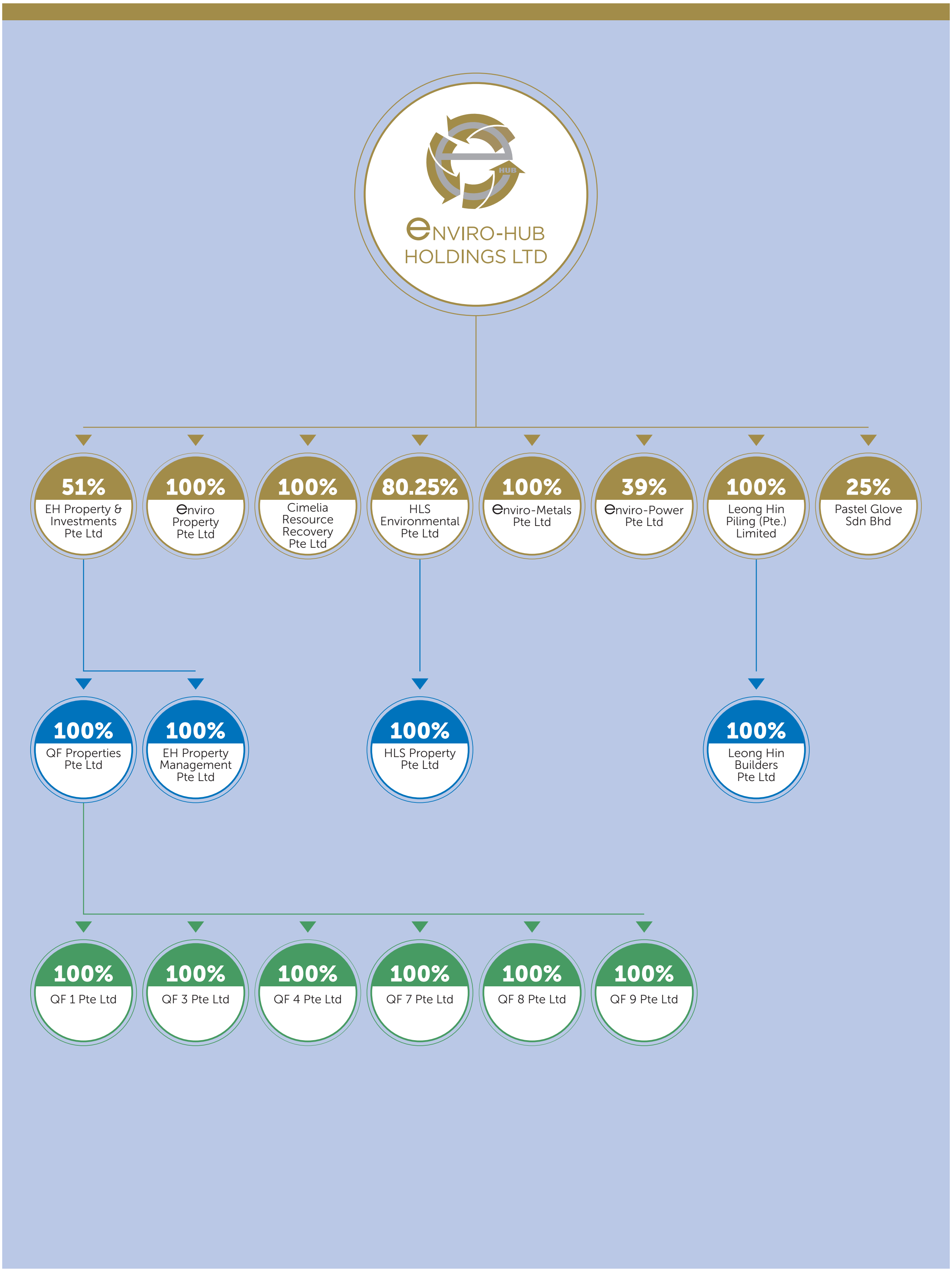
Enviro-Hub focuses on investing in strategic properties with potential and strong yield. By building on our collective experience and expertise, we are well-positioned to identify valuable opportunities and optimise growth.

Enviro-Hub has also ventured into a proprietary restorer technology to convert waste plastic to usable fuel oil.

Earlier 2021, Enviro-Hub completed the acquisition of a 25% stake in Malaysian glove manufacturer, Pastel Glove Sdn Bhd, for US$5 million, marking our foray into the glove manufacturing and healthcare consumables sectors, which offer robust long-term prospects.

Our success is supported by our dedicated staff and management team, working closely together with our business partners and customers to deliver quality and reliable solutions. In our pursuit of greater progress, we will always strive to uphold the highest standards and generate continuous growth for our stakeholders.

GROUP STRUCTURE



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors ("Board"), I present to you our annual report for the financial year ended 31 December 2020 ("FY2020").

I am pleased to report that despite the impact of COVID-19, Enviro-Hub remained resilient in the current financial year.

The Group's overall operations, particularly our construction businesses, performed very well in 1Q 2020 before the government instituted the Circuit Breaker ('CB') to reduce COVID-19 transmission rates. Construction activities ground to a halt for nearly six months during the CB, which was an unprecedented development, before gradually resuming with lifting of restrictions at the end of August 2020. As a result, group revenue and gross profit from continuing operations decreased by 10% and 24% respectively for FY2020.

As the world we live in becomes more and more focused on the effects of climate change and the ability to build a sustainable future, this has led to an increased interest in recycling solutions, which Enviro-Hub has capitalised on.

The Group will continue investing and enhancing our abilities in recycling electrical and electronic waste, ferrous, non-ferrous scraps and energy devices, building on new innovation and technology to recycle e-waste in a

In January 2021, the Group acquired a 25% stake in glove manufacturing company based in Malaysia. We believe the investment will offer new business opportunities and provide the Group with additional and recurrent revenue streams, so as to enhance shareholder value.

financially sustainable manner. This enables us to provide our customers with high-yield solutions for recovering and recycling production waste without compromising the principles of environmental protection.

Although our recycling segment is classified as an essential industry, and allowed to operate during the CB, our overseas sales were affected by nationwide lockdowns. Following the relaxation of CB measures under Phase 2 and the lifting of national lockdowns for major markets such as China, Hong Kong and Malaysia, our recycling operations, particularly overseas sales, saw a significant rebound. As a result, FY2020 revenues from the trading, recycling and refining of e-waste/metals declined to just 4.1% as compared to FY2019.

Meanwhile, despite slower property leasing demand generally due to the impact of the pandemic, rental income from the Group's investment property at 63 Hillview Avenue improved as occupancy rates picked up during the financial year. Sustained demand for e-commerce has also boosted rental growth and occupancy rates for our logistics space.

In December 2020, the Group successfully raised approximately $8.5 million via a private placement. The proceeds will mostly be allocated for the expansion of existing businesses, potential strategic business investments and/or acquisitions.

In January 2021, the Group acquired a 25% stake in glove manufacturing company based in Malaysia. We believe the investment will offer new business opportunities and provide the Group with additional and recurrent revenue streams, so as to enhance shareholder value.

Due to the on-going pandemic, economic conditions are expected to remain uncertain and volatile in the foreseeable future. In view of this, the Group will tread carefully and adopt a prudent strategy by focusing on its core businesses and capturing new opportunities, whilst awaiting the results of worldwide vaccination programmes.

On behalf of the Board of Directors, I would like to express my appreciation to all our shareholders for their continued support. To our valued Board of Directors, thank you for your unwavering counsel and leadership. I would also like to thank our management and staff for their hard work and contributions in propelling Enviro-Hub forward.

MR RAYMOND NG AH HUA
Executive Chairman

BOARD OF DIRECTORS

Mr Ng joined the board on 28 October 2004 and was last re-elected as Director of the Company on 25 April 2019. He is a member of the Nominating Committee. As the Executive Chairman, he is responsible for the Group's overall management, business development, investment decisions as well as strategic direction and planning. He has developed a keen and astute business mindset which has enabled him to identify business opportunities, and is instrumental in spearheading the Group's new business transformation into an environmental hub. He has accumulated over 35 years of experience in the recycling and e-waste management & recovery business. He is also an accomplished property developer with more than 20 years of industry experience.

In recognition of Mr Ng's contribution to the community, he was awarded Public Service Medal (PBM) Award in 2003 and Bintang Bakti Masyarakat (BBM) Award in 2014. He has also received a Service to Education Award – Silver in 2010 by the Ministry of Education, Singapore.

MR RAYMOND NG AH HUA
Executive Chairman

Mr Poon joined the board on 26 September 2006 and was last re-elected as Director of the Company on 28 April 2020. He is also the Chairman of Nominating Committee and a member of the Audit and Remuneration Committees. He was further appointed as Lead Independent Director on 25 February 2016.

Mr Poon is a distinguished former banker with experience that spans almost three decades in the financial industry. From 1979 to 1988, he served at Citibank NA (Singapore), where he was responsible for credit, marketing, remedial management and structured finance, etc. Mr Poon was also the Senior Executive Vice President at United Overseas Bank Ltd. ("UOB"), and was closely involved in running many parts of the bank including corporate banking, corporate finance to branch and consumer banking, etc. He retired from UOB in May 2006 after almost two decades of service. In addition, Mr Poon had previously held directorships in various UOB associated companies and subsidiaries. He is also an Independent Director of other listed companies. Mr Poon also holds directorship in other private company.

MR SAMUEL POON HON THANG
Lead Independent Director

Mr Tan joined the board on 21 May 1999 as an Independent Director. He was last re-elected as Director of the Company on 25 April 2019. He is also the Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee.

Mr Tan has more than 30 years of experience in accounting, corporate finance, strategic planning and business development. He holds a Bachelor of Accountancy (with Honours) from the University of Singapore and is a member of the Singapore Institute of Directors. He also sits on the boards of a few other public listed companies in Singapore.

MR TAN KOK HIANG
Independent Director

Mr Lai joined the board on 27 May 2008 as Independent Director and was re-designated to Non-Independent Non-Executive Director on 30 October 2012. He was last re-elected as Director of the Company on 28 April 2020. He is also a member of the Audit and Remuneration Committees.

Mr Lai joined the Surbana Jurong Group in October 2019 as Senior Managing Director of SJ architecture. He is involved in a wide range of projects both in Singapore and internationally. Mr Lai is a Chartered Engineer with the Institution of Civil Engineers, UK, a member of the Singapore Structural Steel Society, the Strata Titles Board of Singapore, an associate of the Institution of Structural Engineers and the Association of Consulting Engineers, a fellow of the Institution of Engineers and the Society of Project Managers. He is also an Accredited Checker with the Professional Engineers Board, Singapore.

Besides his professional qualifications, Mr Lai has served on several BCA committees such as Construction Best Practice, Structural Robustness, International Panel of Experts (IPE) on Construction and Prefabrication Technology, IPE on BIM Technology, Assessment Panels for the Construction Productivity Award, Construction Excellence Awards, Design & Build Engineering Safety Excellence Awards, BCA-SGBC Green Building Individual Awards and BCA Academy Advisory Panel in 2011. He is also an advisor and external reviewer to Nanyang Technological University and was also appointed to the International Panel of Experts on Lifts & Escalators Safety.

Mr Lai served as Board member of the Building and Construction Authority Singapore (1 April 2011-31 March 2019) and the Singapore Land Authority (1 August 2013-3 July 2019). He is also a member of the Pro-Enterprise Panel (PEP).

For his contribution to the nation through his service on the Strata Titles Board, the Ministry of National Development conferred upon him the Meritorious Service Award (Pingat Bakti Masyarakat) in 2011. He was also conferred the Public Service Star, Bintang Bakti Masyarakat, (BBM) in 2018, a national recognition for his invaluable contributions to the Building and Construction Authority.

MR LAI HUEN POH
Non-Executive Director

KEY EXECUTIVES OF THE GROUP

MS TAN LAY MAI

Chief Financial Officer

Director:
HLS Environmental Pte Ltd, Enviro Property Pte Ltd, EH Property & Investments Pte Ltd, Enviro-Power Pte Ltd, Leong Hin Builders Pte Ltd, EH Property Management Pte Ltd, QF Properties Pte Ltd, QF 1 Pte Ltd, QF 3 Pte Ltd, QF 4 Pte Ltd, QF 7 Pte Ltd, QF 8 Pte Ltd, QF 9 Pte Ltd and HLS Property Pte Ltd

Ms Tan joined Enviro-Hub Holdings Limited ("the Group") on 26 July 2004. She was appointed as the Group's Chief Financial Officer on 01 March 2014. She is responsible for the Group's full spectrum of financial and taxation functions, including the Group's financial planning and analysis, financial policies and budgeting, corporate finance and accounting, treasury, internal controls and compliance with corporate, legal, tax and accounting requirements. She also handles investor relations, investments and acquisitions of the Group.

Ms Tan has more than 20 years of experience in accounting, treasury and auditing. She is a Certified Practicing Accountant of Australia, member of the Institute of Singapore Chartered Accountants and member of the Malaysian Institute of Accountants. Ms Tan holds a Bachelor of Business in Accountancy (Honours) from the Edith Cowan University (Perth, Western Australia).

MR TOH JIA SHENG, ADRIAN

Chief Investment Officer

Director:
Pastel Glove Sdn Bhd

Mr Toh joined Enviro-Hub Holdings Limited ("the Group") on 01 March 2021 as Chief Investment Officer. He is responsible for corporate strategies, investments, merger and acquisitions and investor relations for the Group.

He has more than 13 years of experience in financial sector experiences, predominantly in fund management and consulting. Prior to joining the Group, he was a licensed portfolio manager at and director of a local family office, Azure Capital Pte Ltd. Before Azure Capital, he was a portfolio manager at RHB Asset Management, managing a variety of equity portfolios for institutional clients. He cut his teeth at PwC Hong Kong as a management consultant, helping organization to improve their performance, primarily through the analysis of existing organizational problems and development plans for improvement.

Mr Toh graduated with Bachelor of Science in Applied Accounting from Oxford Brookes University. He is a member of the Association of Chartered Certified Accountants (ACCA).

MR JERRY NG BOON SONG

Director:
Cimelia Resource Recovery Pte Ltd

Mr Ng joined Cimelia Resource Recovery Pte Ltd ("Cimelia") as a Senior Sales & Marketing Manager in 2011 and was appointed as Director on 19 November 2013. Mr Ng plays an integral role in the daily management of Cimelia, such as strategic planning, operations, international business relations and marketing events.

He holds a BSc. Management from the University of London and a Diploma in Electronics from Ngee Ann Polytechnic. Mr Ng possesses more than 20 years of extensive global e-waste experience and has spearheaded numerous projects, establishing excellent working relationships with many MNCs in the recycling and precious metals recovery industry. He is also credited with contributing to the strategic direction of Cimelia. Prior to joining Cimelia, Mr Ng ran his own company, which involved the trading of e-waste in the region. In addition, he has also headed several Sales & Marketing Divisions in other recycling firms.

MR AUNG NAING MOE

Director:
Leong Hin Piling (Pte.) Limited

Mr Aung joined Leong Hin Piling (Pte.) Limited ("LHP") since 1995. He was appointed as Director of LHP on 30 June 2017. He specialises in civil construction, geotechnical and piling projects. He oversees the business activities of LHP and is involved in many residential, commercial and institutional projects in Singapore for the past 20 years. These projects include Fixed Gangways & Associated Modification Works at Changi Airport Terminal 1, the Formula 1 (F1) Paddock Building at Republic Boulevard, a 36-storey Public Housing Development at Toa Payoh, 7-storey multi-user Warehouse/General Industrial Factory at Jalan Lam Huat, and construction of the station and viaducts for the Tuas West MRT Extension.

His M.Sc. research project/dissertation involves detail review of bored pile's case history in Singapore to conclude simplified piling design procedures and parameters. Building on an extensive academic and industry experience, Mr Aung has been involved in several major projects in Singapore and provided value engineering insight to resolve complex geotechnical problems.

Mr Aung is the Company's Technical Controller (TC) who oversees the execution and performance of all projects undertaken. He was accredited as a Resident Engineer by The Institution of Engineers Singapore (IES) and Association of Consulting Engineers Singapore (ACES).

Mr Aung holds a Master of Science in Geotechnical Engineering from the Nanyang Technological University, Singapore and Bachelor of Science in Geology from the University of Yangon, Myanmar.

CORPORATE REVIEW

Revenue decreased by $3.4 million or 10%, from $34.2 million in FY2019 to $30.8 million in FY2020, due mainly to lower piling revenue recognised in 2H 2020, following restrictions and lockdowns from the COVID-19 pandemic. Gross profit declined by $1.7 million or 24%, from $6.9 million in FY2019 to $5.2 million in FY2020.

SEGMENTAL REVIEW

Trading, Recycling and Refining of E-waste/ Metals Division

This division, which focuses on providing e-waste management solutions and recycling services, contributed $21.1 million or 68%, and $22.0 million or 64%, of the Group's revenue for FY2020 and FY2019 respectively. The revenue generated from this segment is consistent. However, the segment profitability decreased slightly from $1.9 million in FY2019 to $1.6 million in FY2020 due to the COVID-19 pandemic.

Property Investments and Management Division

This division engages in developing, investing and managing the Group's investment properties. The segment contributed $2.8 million or 9%, and $2.7 million or 8%, of the Group's revenue for FY2020 and FY2019 respectively. The improvement in this segment was due mainly to higher occupancy rates during the year. Segment profitability decreased from $4.7 million in FY2019 to $3.6 million in FY2020, due to lower fair value gain recorded for the Group's investment properties held at 63 Hillview Avenue.

Piling Contracts, Construction, Rental & Servicing of Machinery

This division provides piling services, as well as the rental and sale of cranes and heavy machinery for the construction industry. The segment contributed $6.9 million or 22%, and 9.5 million or 28%, of the Group's revenue for FY2020 and FY2019 respectively. The decrease was attributed mainly to the temporary shutdown of construction projects during the Circuit Breaker. As a result, segment profitability decreased from a profit of $0.3 million in FY2019 to a loss of $0.05 million in FY2020.

OUTLOOK

With economic conditions likely to remain uncertain and volatile in the near term, the Group will remain vigilant and adopt a prudent approach in its operations.

Given the growing threat of global warming, management believes the Group's recycling business, which aims to conserve natural resources and reduce emissions, will continue to expand at a stable rate in the coming years. Another boost will come from the implementation of a mandatory electrical and electronic waste management system by the Ministry of the Environment and Water Resources (MEWR) by 2021.

As for the Group's construction division, it will continue to focus on cost management. According to the Building and Construction Authority ("BCA"), total construction demand, which refers to the value of construction contracts to be awarded, is projected to recover to between $23 billion and $28 billion in 2021. This is an improvement from the preliminary estimate of $21.3 billion in 2020, which was impacted by the ongoing pandemic. As the recovery of Singapore's economy becomes more broad-based, the construction and services sector is likely to revert to positive year-on-year growth. From 2022 to 2025, BCA has forecast total construction demand to rise to between $25 billion and $32 billion.

Meanwhile, the Group's investment property segment has seen increased demand in terms of warehouse leasing and acquisitions, which was already reflected in its 2020 financial performance. We expect warehousing demand to continue to gather pace in 2021, buoyed the gradual economic recovery and low prevailing interest rates.

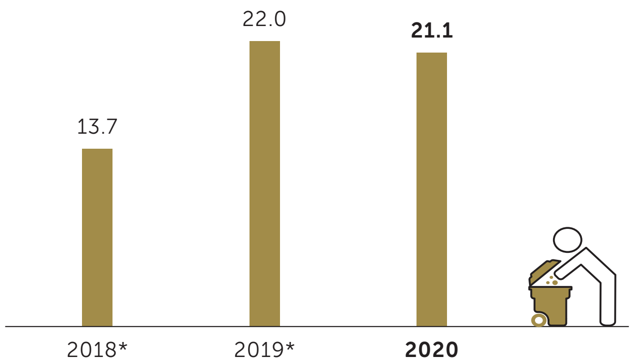
Another notable development is the Group's recent investment in the healthcare industry through the acquisition of a 25% stake in a Malaysian glove manufacturer. This is expected to contribute positively to the Group's bottom line, and management will continue to evaluate the potential to expand further in this sector.

FINANCIAL REVIEW

REVENUE

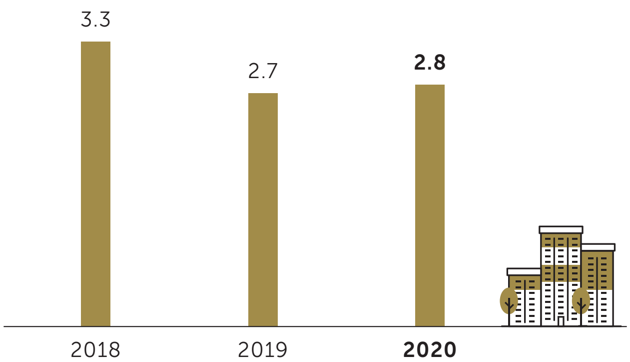
RECYCLING BUSINESS (mil)

Trading, Recycling & Refining of e-Waste/Metals



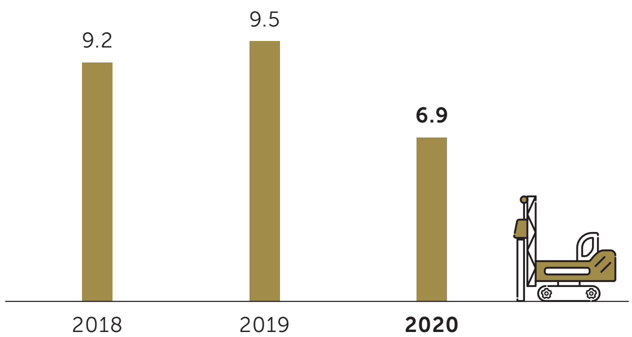
PROPERTY BUSINESS (mil)

Property Investments & Management



CONSTRUCTION BUSINESS (mil)

Piling Contracts, Construction, Rental & Servicing of Machinery



TOTAL REVENUE FOR FY2020

S$30.8 MILLION

FY2019:
S$34.2 million

FY2018:
S$26.2 million

LOSS BEFORE TAX FOR FY2020

S$0.6 MILLION

FY2019:
Profit before tax of S$0.9 million

FY2018:
Profit before tax of S$3.7 million

LOSS FOR FY2020

S$0.6 MILLION

FY2019:
Profit of S$0.8 million

FY2018:
Profit of S$3.7 million

* *"Others" unallocated revenue in the prior periods have been reclassified to conform with current period's presentation.*

CORPORATE GOVERNANCE REPORT

The Board of Directors and Management of **Enviro-Hub Holdings Ltd (the "Company")** remain committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group"). Good corporate governance establishes and maintains an ethical environment in the Group, which strives to enhance the interests of the shareholders of the Company. This report outlines the Company's corporate governance processes and activities that were in place throughout the financial year, with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**2018 Code**") issued on 6 August 2018.

For the financial year ended 31 December 2020 ("**FY2020**"), the Company has complied with the core principles of corporate governance laid down by the 2018 Code. The Company has also largely complied with the provisions that reinforce the principles of the 2018 Code and in areas where there are variations from the provisions of the 2018 Code (namely, variations from Provisions 2.2, 2.4, 3.1, 3.2, 8.1, 11.4 and 12.2), appropriate explanation and the reasons for variations has been provided within this report. The Board considers that the alternative corporate governance practices adopted are consistent with the intent of the relevant principle of the 2018 Code.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provisions	Corporate Governance Practices of the Company
1.1	**Directors are fiduciaries who act objectively in the best interests of the Company** The Company is headed by an effective Board, comprising competent individuals with diversified background and collectively brings with them a wide range of experience, to lead and control the Company. The principal role of the Board is to review and approve strategic plans, key operational and financial issues, evaluate performance of the Company, supervise executive management to achieve optimal shareholder' value. In particular, the Board holds the management of the Company (the "**Management**") accountable for performance. The Company's Code of Business Conduct also sets the standards and ethical conduct expected of employees of the Enviro-Hub Group. Directors, officers and employees are required to observe and maintain high standards of integrity, as to be in compliance with the law and the regulations, and company policies.
1.2	**Directors' induction, training and development** New directors, upon appointment, are briefed on the business and organization structure of the Group. Directors of the Company will also be updated from time to time of any news and relevant changes to statutes and regulatory requirements applicable to the Company's business. Where possible and when the opportunity arises, the non-executive directors ("NEDs") will be invited to location of plants or target property where the Group operates or invest to enable them to obtain a better perspective of the business and enhance their understandings of the Group's operations. All directors are provided with regular updates on changes in the relevant laws and regulations to enable them to make well-informed decisions and to ensure that the directors are competent in carrying out their expected roles and responsibilities. The directors are aware of the requirements in respect of disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information. The Company has an on-going budget for all directors to attend appropriate courses, seminars and conferences for them to stay abreast of the relevant business developments and changes in the regulatory requirements.

CORPORATE GOVERNANCE REPORT

Provisions	**Corporate Governance Practices of the Company**

1.3 **Matters requiring Board's approval**

The Board has identified a number of areas for which the Board has direct responsibility for decision-making. Matters which are specifically reserved for decision making by the full Board include those involving corporate plans and budgets, material acquisitions and disposal of assets, corporate and/or financial restructuring, share issues, dividends, other returns to shareholders and interested person transactions.

The Board also meets to review and consider the following corporate matters:-

- Approval of half-yearly and year-end results announcements;
- Approval of the annual reports and financial statements;
- Convene shareholders' meetings;
- Material acquisition and disposal of assets;
- Major investments and funding decisions;
- Financial performance and key operational initiative; and
- Oversee the implementation of appropriate systems to manage the Group's business risk.

1.4 **Board Committees**

To assist the Board in executing its duties, the Board has delegated specific functions to the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") (together "Board Committees" and each a "Board Committee"). Each of these Board Committees has its own written terms of reference and its actions are reported to and monitored by the Board. The Chairman of the respective committees reports to the Board with their recommendations. Minutes of the Board Committee meetings are available to all Board members. A summary of the activities of the AC, the NC and the RC during FY2020 are also included within this report.

1.5 **Board Meetings and Attendance**

During the financial year ended 31 December 2020 ("FY2020"), the Board has held meetings for particular and specific matters as and when necessary. The Company's Constitution allows the Board to convene meetings by tele-conferencing. Details of the frequency of Board and Board Committee meetings held in FY2020, as well as the attendance of each Board member at these meetings are disclosed in **Table 1**. Sufficient time and attention are being given by the directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations as set out in **Table 3**.

1.6 **Access to information**

Board members are provided with adequate and timely information prior to Board meetings, and on an on-going basis. Requests for information from the Board are dealt with promptly by management. The Board is informed of all material events and transactions as and when they occur.

1.7 **Access to Management and Company Secretary**

The Board has separate and independent access to the Group's senior management and the Company Secretary at all times. During FY2020, the Non-Executive Independent Directors ("NEIDs") met semi-annually and on an ad hoc basis with the Chairman and other key management personnel of the Group as and when required to discuss key issues and the challenges facing the Group. The Company benefited from the NEIDs having ready access to the Management for guidance and exchange of views both within and outside the formal environment of the Board and Board Committee meetings.

CORPORATE GOVERNANCE REPORT

Provisions	**Corporate Governance Practices of the Company**
	The Company Secretary attends all Board meetings, provides corporate secretarial support to the Board and ensures adherence to the Board procedures and relevant rules and regulations which are applicable to the Company. The Company Secretary assists the Chairman by preparing meeting agendas, attending Board and Board Committee meetings and preparing minutes of board proceedings. Under the direction of the Chairman, the Company Secretary, with the support of the management staff, ensures good information flows within the Board and the Board Committees and between Senior Management and Non-Executive Directors. The appointment and removal of the Company Secretary is subject to the approval of the Board.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions — **Corporate Governance Practices of the Company**

2.1 **Director Independence**

The Board comprises four directors of whom two are independent non-executive directors, one non-executive director and one executive director. The Chairman of the Board is not an Independent Director. There is an independent element on the Board, with 50% of the Board comprising Independent Directors. A summary of the current composition of the Board and its committees is set out in **Table 2**.

The independence of each director is reviewed annually by the Nominating Committee ("NC") based on the guidelines as set out in the 2018 Code as well as the respective director's Confirmation of Independence Statement.

Independence of Directors who have served on the Board Beyond Nine (9) years

Concerning the independence of directors who have served on the Board beyond nine years, both Mr Tan Kok Hiang (having refreshed his independence once in 2005) and Mr Samuel Poon Hon Thang (having attained his 9 years of service on 26 September 2015) have served on the Board beyond nine years. The NC performs an annual review of their interests in which all potential or perceived conflicts (including time commitments, length of service and other issues relevant to their independence) are considered.

Where a director has served on the Board for more than nine years, the Board has further reviewed whether such a director should be considered independent. The following were some of the factors considered in reviewing the independence of the director who has served beyond nine years.

(a) whether the Director is free from any dealings, relationships or circumstances that could affect or appear to affect his independent judgement, particularly with regards to whether the director has indicated or demonstrated an alignment or ongoing support for any specific group of stakeholders, instead of representing the interests of all stakeholders;

(b) whether the length of service has had any adverse impact on the Director's objectivity and judgement and whether during the tenure there has been any impairment to his ability to discharge his duties and responsibilities in the overall interest of the Group, taking into consideration the interests of all stakeholders; and

(c) whether the director continues to exhibit a firm commitment to his role and continues to actively contribute with the knowledge and experience of the Group's business built up over the years.

CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Practices of the Company

Each of the aforesaid independent non-executive directors has exercised strong independent judgment in their deliberations in the interests of the Company and maintains their objectivity and independence at all times in the discharge of his duties as director. In addition, the independence of character and judgment of each of the directors concerned was not in any way affected or impaired by the length of service. Having weighed the need for Board rejuvenation against tenure, the Board is satisfied with the independence of character and judgment of both Mr Tan Kok Hiang and Mr Samuel Poon Hon Thang and recommends that they continue on the Board as independent directors of the Company. Each of the long serving directors had duly recused himself from the discussion and taking a decision in respect of his own independence.

Rule 210(5)(d) of the Listing Manual of the SGX-ST, requires a director who has been a director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment as an independent director ("**ID**") to seek approval in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officer. Accordingly, from 1 January 2022, a director will no longer be independent if he has been a director for an aggregate period of more than 9 years, unless his continued appointment as an ID has been sought and approved in separate resolutions by shareholders ("**Two-Tier Vote**"), as required under the 9-Year Rule. Accordingly, both Mr Tan Kok Hiang and Mr Samuel Poon Hon Thang are subjected to the two tier voting mechanism should they wish to seek for re-election.

2.2 **Independent directors make up a majority of the Board if Chairman is not independent**

Where the Chairman is not independent, the independent directors should make up a majority of the Board. In this regard, while independent directors do not make up a majority of the Board, more than one-third of the Board is made up of independent directors. The Board considers that the present Board size is appropriate, taking into account the nature and scope of the Group's operation and accordingly, no additional independent directors are proposed to be appointed in order for independent directors to make up a majority of the Board. Additionally, the Board is of the view that the independent directors have demonstrated high commitment in their role as directors and have ensured that there is a good balance of power and authority.

2.3 **Non-executive directors make up a majority of the Board**

The Company has complied with the 2018 Code's provision for majority of the Board to make up of non-executive directors.

2.4 **Board Composition**

The Directors consider that the Board's present size of 4 members is of the appropriate size taking into account the nature and scope of the Group's operation. The Board and the Board Committees comprise directors who as a group provide core competencies, such as accounting and finance, business and management experience, industry knowledge, financial and strategic planning experience and knowledge that are necessary and critical to meet the Group's objectives. The diversity of the Directors' experience allows for the useful exchange of ideas and views. The biographies of all Board members are set out in the section entitled 'Board of Directors".

The Company values and embraces the benefits of having greater diversity on the Board in terms of skills, knowledge, experience and other aspects of diversity such as age, gender and ethnicity and views diversity on the Board as an important element in building an effective Board even though the Company has yet to formalize this view by way of a written policy. The NC will be tasked to develop a Board Diversity Policy in due course.

CORPORATE GOVERNANCE REPORT

Provisions	**Corporate Governance Practices of the Company**
2.5	**Meeting of Independent Directors without Management** The non-executive directors aim to assist in the development of proposals on strategy by constructively challenging Management. The non-executive directors would also review the performance of Management in meetings. Where warranted, the non-executive directors meet without the presence of Management or executive directors or to review any matters that must be raised privately.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: 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.

Provisions	**Corporate Governance Practices of the Company**
3.1	**Separation of the roles of the Chairman and the Chief Executive Officer ("CEO")** The Company does not have the position of Chief Executive Officer and no CEO is proposed to be appointed. 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.
3.2	**Responsibilities of Executive Chairman** All major decisions made by the Executive Chairman are reviewed by the Board. His performance will be reviewed periodically by the NC and his remuneration package will be reviewed periodically by the RC. 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. The Board believes that there is a balance of power and authority within the Board as all the Board Committees are chaired by independent directors. Provisions 2.2 and 2.5 of this report 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. The Executive Chairman is responsible for the workings of the Board, ensuring the integrity and effectiveness of its governance process. He is also responsible for representing the Board to the shareholders, ensuring that Board meetings are held when necessary, setting the Board meeting agenda in consultation with the Chief Financial Officer ("**CFO**") and/or Company Secretary, acting as facilitator at Board meetings and maintaining regular dialogue with the Management on all operational matters. The Executive Chairman reviews Board papers before they are presented to the Board and ensures that Board members are provided with adequate and timely information.
3.3	**Lead Independent Director** The Board has appointed Mr Samuel Poon Hon Thang, an independent and non-executive director, as the Lead Independent Director ("LID"). Mr Samuel Poon Hon Thang will be available to address shareholders' concerns when contact through the normal channels of the Executive Chairman and the CFO has failed to provide a satisfactory resolution or when such contact is inappropriate.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions	Corporate Governance Practices of the Company

4.1 **Role of Nominating Committee**

The responsibilities of the Nominating Committee ("NC") are described in its written terms of reference. Its main role is to ensure a rigorous process of board appointments and re-nominations, the determination of independence of each director and identification of new directors who have the appropriate knowledge, experience and skills to contribute effectively to the Board.

The principal functions of the NC are to establish a formal and transparent process to:-

(a) Review the background, academic and professional qualifications of each individual director;

(b) Review and recommend the nomination of retiring directors for re-election at each Annual General Meeting ("AGM");

(c) Nominate and recommend all new appointments to the Board;

(d) Decide, where a director has multiple board representation, whether the director is able to and has been adequately carrying out his duties as a director of the Company;

(e) Assess the performance of the Board as a whole, as well as the contribution of each director to the effectiveness of the Board;

(f) Review and determine annually the independence of each director; and

(9) Review the Board structure, size and composition and makes recommendations to the Board with regards to any adjustments that are deemed necessary.

Summary of NC's activities in FY2020

- Evaluate the Board's composition and size, Director's tenure, competencies and outside commitments, attendance, nomination of directors for re-election and the appointment of Chief Investment Officer.
- Reviewed the major themes arising from the annual Board performance review process and considered whether any aspects of the Board's oversight framework could be strengthened.
- Reviewed the Director's independence criteria and assessment process.

4.2 **Composition of NC**

The NC comprises three directors, a majority of whom, including the Chairman, are independent non-executive directors. The LID is a member of the NC. The names of the members of the NC are disclosed in **Table 2**.

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GOVERNANCE REPORT

Provisions	Corporate Governance Practices of the Company
4.3	**Board renewal and succession planning**

Board renewal is an ongoing process to ensure good governance and to maintain relevance to the changing needs of the Group. No director stays in office for more than three years without being re-elected by shareholders.

The NC is responsible for identifying and recommending new board members to the Board, after considering the necessary and desirable competencies of the candidates which include; (i) academic and professional qualifications; (ii) industry experience; (iii) number of other directorships; (iv) relevant experience as a director; and (v) ability and adequacy in carrying out required tasks. No alternate director has been appointed to the Board.

The NC leads the process for board appointments and makes recommendations to the Board. The integrated process of appointment includes:-

i. Developing a framework on desired competencies and diversity on board;
ii. Assessing current competencies and diversity on board;
iii. Developing desired profiles of new directors;
iv. Initiating search for new directors including external search, if necessary;
v. Shortlist and interview potential director candidates;
vi. Recommending appointments and retirements to the board; and
vii. Re-election at general meeting.

All newly appointed directors will have to retire at the next AGM following their appointments pursuant to Article 112 of the Company's Constitution. The retiring directors are eligible to offer themselves for re-election. The following directors will retire by rotation at the forthcoming AGM and have been re-nominated for re-election:

Mr Tan Kok Hiang	(Article 107)
Mr Samuel Poon Hon Thang	(Article 107)

The NC has recommended the nomination of the directors retiring by rotation for re-election at the forthcoming AGM. The Board has accepted the NC's recommendation and accordingly, the above-mentioned directors will be offering themselves for re-election at the forthcoming AGM.

As described under Principle 2 of this report, both Mr Tan Kok Hiang and Mr Samuel Poon Hon Thang are required to seek approval via a two tier voting mechanism should they wish to seek for re-election. Additional information relating to the Directors seeking re-election is set out on pages 128 to 132 of the Annual report in accordance with Rule 720(6) of the Listing Manual of the SGX-ST.

4.4 **Circumstances affecting Director's independence**

The NC determines the independence of each director annually based on the definitions and guidelines of independence having regard to the circumstances set forth in Provision 2.1 of this report. As part of the consideration, the NC also took into account their other directorships, annual declaration regarding their independence, disclosure of interest in transactions in which they have a direct/indirect interest, their ability to avoid any apparent conflicts of interests especially by abstaining from deliberation on such transactions and their ability to maintain objectivity in their conduct as Directors of the Company. The Board, after taking into consideration the views of the NC, considers Mr Tan Kok Hiang and Mr Samuel Poon Hon Thang to be independent by virtue of the fact that each Director does not have any existing business and/or professional relationship whatsoever with Enviro group of companies and its officers who could possibly influence their objectivity in discharging their duty as an Independent Director of the Company.

CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Practices of the Company
4.5	**Multiple listed company directorships and other principal commitments**
	The NC reviews annually the time commitment of directors. Notwithstanding that some of the directors have multiple board representations, the NC is satisfied that sufficient time and attention are being given by the directors to the affairs of the Company and each director is able to and has been adequately carrying out his/her duties as a director of the Company. Further information on the directorships and principal commitments of each director are disclosed in **Table 3**.
	The NC and the Board are of the standpoint that setting a maximum number of listed company board representations would not be meaningful as the contributions of the directors would depend on many other factors such as whether they are in full time employment and their other responsibilities or principal commitments. In addition, the board representations presently held by its directors do not impede the performance of their duties to the Company.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions	Corporate Governance Practices of the Company
5.1	**Assessment of effectiveness of the Board and Board Committees and assessing the contribution by individual directors**
	The NC has used its best effort to ensure that each director appointed to the Board and the Board Committees, with their skills and contributions, brings to the Board and independent and objective perspective to enable sound balanced and well-considered decisions to be made.
	The NC is responsible for deciding how the Board's performance may be evaluated and proposing objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company. The Board has, through the NC, implemented an annual evaluation process to assess the effectiveness of the Board and the Board Committees as well as assessing the contributions by each individual director to the effectiveness of the Board.
5.2	The NC has adopted a formal system of evaluating the Board annually. A Board performance evaluation was carried out and the assessment parameters include the evaluation of the Board composition, size and expertise, timeliness of information flow and quality of information to the Board, Board pro-activeness, Board accountability and oversight, succession planning as well as standards of conduct. The annual evaluation exercise provides an opportunity to gain constructive feedback from each Director on whether the Board's procedures and processes had allowed him to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness as a whole.
	For the year under review, the NC assessed the efficiency and effectiveness of the Board Committees in assisting the Board based on the assessment criteria which include amongst others, the Board Committees' composition and size, sufficient and relevant expertise and useful recommendations in assisting the Board for better decision-making, the interaction among committee members, reporting to the Board and recording of minutes.

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Provisions	Corporate Governance Practices of the Company
	For the year under review, there was also a self-appraisal to evaluate each director's performance and contribution. Self-appraisal forms were sent to the directors for completion and the results were reviewed by the NC and the Board. Factors which were taken into account include readiness to contribute at meetings of Board and Board Committees, contribution of effort such as preparedness, being informed and having sufficient knowledge of the Company's business, personal relationships with fellow directors and professionals. Additionally, the process to the re-nomination of Directors for the current year takes into account their attendances, commitment of time and contributions made at meetings of Board and Board Committees, general meetings as well as informal contribution via e-mail and telecommunication discussion. No external facilitators were used in the assessment of the Board, its Board Committees and the individual directors.

REMUNERATION MATTERS

Procedures for developing remuneration policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions	Corporate Governance Practices of the Company
6.1	**RC to recommend remuneration framework and packages** The principal function of the RC is to ensure that a formal and transparent procedure is in place for fixing the remuneration framework for the Board and key management personnel of the Group. The RC's role is to review and recommend to the Board the remuneration packages and terms of employment of the executive directors and key executives of the Group. The review will cover all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses and benefits in kind. The RC's recommendations are made in consultation with the Executive Chairman and submitted for endorsement by the entire Board.
6.2	**Composition of RC** The RC, regulated by a set of written terms of reference, comprises three non-executive directors, majority of whom, including the Chairman, are independent non-executive directors. The RC comprises entirely non-executive directors. The names of the members of the RC are disclosed in **Table 2**.
6.3	**RC to consider and ensure all aspects of remuneration is fair** The RC reviews the service contracts of the Company's executive directors and key executives. Services contracts for executive directors are for a fixed appointment period and may be terminated by not less than six-month's notice in writing served by either party or salary in lieu of notice. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the executive directors and key executives. In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals. The Company has not adopted the use of contractual provisions to reclaim incentive components of the remuneration of executive directors and key management personnel as it was considered unnecessary in the Company's current context.

CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Practices of the Company
6.4	**Expert advice on remuneration**

The RC has access to expert advice inside and/or outside the Company on remuneration of directors, where required. No external remuneration consultant was appointed in FY2020.

Summary of RC's activities in FY2020

- Reviewed the renewal of service contract for Executive Chairman;
- Reviewed the remuneration for Directors and Key Management Personnel;
- Agreed with the variable bonus for employees of the Group;
- Reviewed the remuneration level for Non-executive Independent Directors; and
- Reviewed the proposed salary adjustment for management for FY2020.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions	Corporate Governance Practices of the Company
7.1 & 7.3	**Remuneration of executive directors and other key management personnel are appropriately structured to link rewards to performance**

The Company's remuneration policy is to provide compensation packages at market rates that reward good performance and attract, retain and motivate directors and managers. It also takes into consideration of the Group's performance.

The executive directors are remunerated as members of management. Their remuneration in FY2020 comprises a basic salary component, annual wage supplement, share award scheme and a profit sharing scheme, based on the performance of the Group as a whole and their individual performance.

The Company obtained shareholders' approval in FY2012 to implement a share award scheme known as the Enviro-Hub Share Award Scheme (the "Scheme"). The Scheme is administered by the RC, comprising Mr Tan Kok Hiang (Chairman), Mr Samuel Poon Hon Thang and Mr Lai Huen Poh.

As at the date of this report, Awards comprising 13,614,862 ordinary shares were granted to Mr Raymond Ng Ah Hua, a controlling shareholder and Executive Chairman of the Company pursuant to the Scheme. The Awards granted to Mr Raymond Ng Ah Hua, will be released, in whole or in part(s), from time to time during the period when the Scheme is in force at the discretion of the RC, if certain pre-determined performance conditions, as determined by the RC, are achieved, or otherwise in accordance with the rules of the Scheme. On 11 April 2018, 5,445,944 ordinary shares have been allotted to Mr Raymond Ng Ah Hua, pursuant to the vesting of the Awards granted under the Scheme.

The Company has allotted and issued an aggregate of 7,095,944 shares to the Directors on 11 April 2018 pursuant to the vesting of the Awards granted under the Scheme. Further details of the Scheme and the Awards granted and vested under the Scheme are set out in the Directors' Statement.

CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Practices of the Company
7.2	**Remuneration of non-executive directors dependent on contribution, effort, time spent and responsibilities**

The non-executive directors ("NEDs") and the non-executive independent directors ("NEIDs") are remunerated under a framework of basic fees for serving on the Board and Board Committees. The executive director of the Board also receives a nominal fee.

Fees for NEDs, NEIDs and executive director of the Board are subject to the approval of shareholders at the Annual General Meeting ("AGM").

Pursuant to the shareholders' approval obtained on 28 April 2015, the grant of an aggregate number of 2,200,000 ordinary shares to the non-executive directors of the Company as part of their Directors' fees for FY2015 (which consists of the grant of fully-paid shares under the Enviro-Hub Share Award Scheme with no performance and vesting conditions attached), such ordinary shares have been allotted to the non-executive directors on 11 April 2018 with the exception of one director whose grant has become void and ceased to have effect on the date of his resignation. The award of shares to the non-executive directors is intended to attract capable individuals to the Board, as well as retain and motivate them in their roles as non-executive directors. It also aligns their interest to those of the shareholders and recognizes individual contributions.

DISCLOSURE OF REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions	Corporate Governance Practices of the Company
8.1	**Remuneration disclosures of directors and key management personnel; Details of employee share schemes**

Although the actual remuneration of each director and the top key management personnel (who are not directors or the CEO) are not fully disclosed, 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 compensation structure for the key management personnel (who are not directors or the CEO), of Group subsidiaries consists of three key components – salary, bonus and other benefits.

Table 4 and **Table 4A** sets out the breakdown of the remuneration of the directors and the key management personnel (who are not directors or the CEO), respectively, for FY2020.

Regarding the 2018 Code's recommendation to fully disclose the remuneration of directors and the top five key management personnel (who are not directors or the CEO), 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 make, 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). Provisions 7.1 and 7.2 in this report provide further details on the Company's policy and criteria for setting remuneration.

CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Practices of the Company
8.2	**Remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company** There are no substantial shareholders of the Company, or immediate family member (defined in the Listing Manual as the spouse, child, adopted child, step-child, brother, sister and parent) of a director, the CEO or a substantial shareholder, in the employment of the Company whose annual remuneration exceeded S$100,000 during FY2020.
8.3	**Details of Employee share schemes** The Company has a share incentive scheme known as the "Enviro-Hub Share Award Scheme" (the "Scheme") which was approved at the Extraordinary General Meeting of the Company held on 22 November 2012. Further details of the Scheme are set out above under Principle 7 and disclosed in the Directors' Statement. The Circular to Shareholders dated 31 October 2012 containing the detailed information on the Enviro-Hub Share Award Scheme is available to shareholders upon their request.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provisions	Corporate Governance Practices of the Company
9.1	**Board determines the nature and extent of risks** The Group's system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. The Board recognizes that the system is subject to inherent limitations and a cost effective internal control system can provide only reasonable and not absolute assurance against irregularities. During the year, the Audit Committee ("AC"), on behalf of the Board and through the assistance of internal and external auditors, had reviewed the effectiveness of the Group's material internal controls, including financial, operational, compliance, information technology controls and risk management. The process used by the AC to monitor and review the effectiveness of the system of internal controls and risk management includes:– i. Discussions with Management on risk identified by Management; ii. The audit processes; iii. The review of internal and external audit plans; and iv. The review of significant issues arising from internal and external audits. In addition to the work carried out by the external auditors and internal auditors, the Group has engaged an international accounting firm to document the framework that enables Management to address the financial, operational and compliance risks of the key operating units. The process involved the identification of major risks for the Group's business units whereby the business units' key risks of financial, operational and compliance nature, as well as the counter measures in place or required to mitigate these risks were summarized for review by the Board. The documentation provided an overview of the Group's key risks, how they are managed, the key personnel responsible for each identified risk type and the various assurance mechanisms in place.

CORPORATE GOVERNANCE REPORT

Provisions	**Corporate Governance Practices of the Company**
	The Board acknowledges that it is responsible for ensuring that Management maintains a sound system of internal controls to safeguard shareholders' investment and the Group's assets. The Board believes that in the absence of any evidence to the contrary and from due enquiry, the system of internal controls that has been maintained by the Group's Management and that was in place throughout the financial year and up to the date of this report is adequate to meet the needs of the Group in its current business environment.
	Any material non-compliance and internal control weakness noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system.
	The Company manages risk under an overall strategy determined by the Board and supported by the AC, RC and NC. The Company sets acceptable risk management standards and periodically reviews the risks that the Group and the Company are subject to.
	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.
	As the Company has not put in place a Risk Management Committee, the Board, the AC and the Management assume the responsibility of the risk management function. Management reviews regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the AC.
9.2	**Assurance from Executive Chairman, Group Chief Financial Officer and other key management personnel**
	The Board has received assurance from (a) the Executive Chairman and the Group CFO that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Executive Chairman and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provisions	**Corporate Governance Practices of the Company**
10.1	**Duties of AC**
	The AC has specific written terms of reference and performed the following functions:-
	(a) Reviews the scope of work and results of the audit done by the external auditors, and evaluate the cost effectiveness and the independence and objectivity of the external auditors;
	(b) Meets half yearly to review the half yearly and full year announcements of the results and the financial position of the Group before submission to the Board for approval;
	(c) Reviews the adequacy of the internal control systems of the Group through discussion with the Management and external auditors;

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Provisions	**Corporate Governance Practices of the Company**

(d) Reviews the effectiveness of the internal audit function, internal audit plans and discuss with the Management on the significant internal audit observations and actions to correct any deficiencies;
(e) Recommends to the Board for the re-appointment of external auditors and approving their remuneration and terms of engagement of the external auditor;
(f) Reviews the adequacy of the assistance given by the Group's officers to the external and internal auditors;
(g) Reviews the requirements for approval and disclosure of interested person transactions, and where necessary, review and seek approval for interested persons transactions;
(h) Reviews the consolidated financial statements of the Group and the Auditors' Report on those financial statements before submission to the Board;
(i) Reviews the adequacy of the group's internal controls;
(j) Undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
(k) Undertakes such other functions and duties as may be required by statute or the Listing Manual and by such amendments made thereto from time to time.

The AC has explicit authority to investigate any matter within its terms of reference; has full access to and cooperation from Management and has full discretion to invite any director and executive officer to attend its meetings; and has given reasonable resources to enable it to discharge its functions properly.

In recommending the re-appointment of the auditors, the Audit Committee considered and reviewed various factors including the adequacy of resources, the experience of the auditing firm and the audit engagement partner, the firm's other audit engagements, the number and experience of supervisory and professional staff to be assigned to the audit, the size and complexity of the Group and its businesses and operations. The AC shall continue to monitor the scope and results of the external audit, its cost effectiveness, as well as the independence and objectivity of the external auditors and give its recommendations to the Board and the Company regarding the appointment, re-appointment or removal of the external auditors.

The amount of audit and non-audit fees paid to the external auditors in FY2020 was S$238,000 and S$19,000 respectively. The AC has reviewed the non-audit services (tax compliance and sustainability reporting compliance services) provided by the external auditors to the Group in FY2020 and is satisfied that such services would not impair the independence of the external auditors in their conduct of the statutory audit.

Save for the fees paid for audit engagement, the non-audit services provided by the Company's external auditors, KPMG LLP are immaterial and would not affect the independence of the auditors. The AC has recommended and the Board has approved the re-appointment of KPMG LLP as external auditors at the forthcoming AGM. The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

The Group has in place, a Whistle-Blowing Policy where employees of the Group can raise concerns about improprieties. Such a policy serves to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals and / or concerns about possible improprieties in financial reporting or other matters. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. Details of the whistle-blowing policies and arrangements have been made available to all employees. As at to date, no reports of fraudulent or inappropriate activities and malpractices has been received.

The AC has full access to and full co-operation of the Management and external auditors. It also has the full discretion to invite any Director or executive officer to attend its meetings. The AC also has the power to conduct or authorise investigations into any matters within its terms of reference.

CORPORATE
GOVERNANCE REPORT

Provisions **Corporate Governance Practices of the Company**

Summary of AC's activities in FY2020

During the year, the AC:-

(i) reviewed the financial statements of the Group before the announcement of the Group's half-yearly and full-year results;
(ii) reviewed the key areas of Management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a material impact on the financials;
(iii) reviewed and approved both the Group internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls comprise financial, operational, information technology and compliance controls of the Company;
(iv) reviewed the independence and objectivity of the internal and external auditors through discussions with the internal and external auditors;
(v) reviewed non-audit fees and whether the provision of such services affects their independence;
(vi) reviewed the appointment of a different auditor for its subsidiaries (if any);
(vii) reviewed the accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group;
(viii) reviewed the internal audit functions and discusses accounting implications of major transactions including significant financial reporting issues;
(ix) reviewed interested party transaction; and
(x) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.

Financial reporting and significant financial judgement

The role of the AC in relation to financial reporting is to monitor the integrity of the half yearly and full year financial statements and that of any formal announcements relating to the Group's financial performance. For the financial year under review, the AC has considered whether accounting standards are consistently applied across the Group and whether disclosures to the financial statements are clear and sufficient.

In the review of the financial statements, the AC has discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with management and the external auditor and were reviewed by the AC:

Key Audit Matters	How these issues addressed by the AC
Valuation of investment properties – $116.5 million (66% of Group's total assets)	The AC evaluated the qualifications and competence of the valuers, and considered the valuation methodologies applied by the valuers. The AC also held discussions with management and the external auditor to review the appropriateness of key assumptions applied (prices per square foot). As a result of the above procedures, the AC agrees with management that the valuers are objective and competent, the valuation methodologies used are in line with generally accepted market practices and the key assumptions used are within the range of comparable market data.

CORPORATE GOVERNANCE REPORT

Key Audit Matters	How these issues addressed by the AC
Impairment of property, plant and equipment (the "PPE") and the Company's investments in subsidiaries	The AC evaluated management's assessment of the Group's PPE and the Company's investments in subsidiaries in relation to the Piling and Refinery cash generating units ('CGU'). The AC reviewed management's assessment by comparing historical forecasts against historical performance to assess the reliability of management forecast process, assessed the reasonableness of the key assumptions by comparing historical performance and future business plans, evaluated management's basis of determination and identification of the CGUs. As a result of the above procedures, the AC agrees that the underlying assumptions and resulting estimates used to determine the recoverable amount were within a balanced range of outcomes, thus, is in the opinion that management's assessment is appropriate.

Rule 1207(6), Rules 712 and 715 and/or Rule 716 of the SGX-ST Listing Manual

In appointing the audit firm 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.

<u>Provisions</u> **<u>Corporate Governance Practices of the Company</u>**

10.2 **Composition of AC**

The AC, regulated by a set of written terms of reference, comprises three members, all of whom are non-executive directors and the majority of whom, including the AC Chairman, are independent. The names of the members of the AC are disclosed in **Table 2**. The AC has three members namely Mr Tan Kok Hiang, Mr Samuel Poon Hon Thang and Mr Lai Huen Poh, who have accounting or related financial management expertise or experience.

CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Practices of the Company
10.3	**AC does not comprise former partners or directors of the Company's auditing firm**
	None of the AC members were previous partners or directors of the Company's existing auditing firm or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation and none of the AC members hold any financial interest in the auditing firm or auditing corporation.
10.4	**Primary reporting line of the internal audit function is AC; internal audit function has unfettered access to Company's documents, records, properties and personnel**
	The internal audit function of the Group has been outsourced to an audit/accounting firm, Nexia TS Risk Advisory Pte Ltd. The Internal Auditors ("IA") report directly and independently to the AC. Being an independent function; the audit work is conducted with impartiality and professional care and in accordance with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA has full and unfettered access to all the Group's documents, records, properties and personnel, including the AC.
	The AC was responsible in evaluation, selecting and approving the appointment of the IA, as well as evaluating the service delivery, performance and compensation of the internal audit function. The IA has confirmed that it is a member of the Institute of Internal Auditors Singapore ("IIA") and the profiles of the team members were in line with recommended standards by the IIA. The AC is satisfied that the internal audit function is adequately resourced and staffed with suitably qualified and experienced professionals with the relevant experience.
	The Board recognized that it is important to maintain a system of internal controls to safeguard shareholders' investments and the Group's businesses and assets, while the management is responsible for establishing and implementing effective internal control procedures. The role of IA is to assist the Audit Committee ("AC") in ensuring that controls are properly in place, effective and functioning as intended.
	On an annual basis, the internal auditor prepares and executes a risk-based audit plan, which complements that of the external auditors, so as to review the adequacy and effectiveness of the Group's financial, operational, compliance and information technology controls, and risk management. IA will follow up on all recommendations to ensure management has implemented them on a timely and appropriate manner and reports the results to the AC.
	In addition, the external auditors will highlight any material internal control weaknesses which have come to their attention in the course of their statutory audit. All internal and external audit findings and recommendations made by the internal and external auditors are reported to the AC. Significant issues are discussed at AC meetings.
10.5	**AC meets with the auditors without the presence of Management annually**
	The AC meets annually with the external auditors without the presence of Management to review any matters that might be raised. Where warranted, the AC shall meet with the internal auditors without the presence of Management to review any matters that must be raised.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

<u>**Provisions**</u>	<u>**Corporate Governance Practices of the Company**</u>
11.1	**Company provides shareholders with the opportunity to participate effectively and vote at general meetings** All shareholders of the Company receive the Annual Report and notice of Annual General Meeting ("AGM") within the mandatory notice period. Shareholders are encouraged to participate at the Company's general meetings. Shareholders have the opportunity to participate effectively and to vote in the AGM either in person or by proxy in accordance to the Constitution. The Constitution of the Company allows each shareholder to appoint up to two proxies to attend AGMs. The Company allows relevant intermediaries such as the Central Provident Fund Board or corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such bodies can attend and participate in general meetings as proxies. In accordance with Rule 730A(2) of the Listing Manual and to have greater transparency in the voting process, the Company has conducted the voting of all its resolutions by poll at all of its general meetings. The detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNet. In view of the current COVID-19 situation, the Annual Report, Notice of AGM and Proxy form will be made available to shareholders solely by electronic means via publication on SGXNET and our corporate website www.enviro-hub.com The upcoming AGM will be held by way of electronic means. Shareholders may submit questions in advance of the AGM and appoint the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM.
11.2	**Separate resolution on each substantially separate issue** Resolutions to be passed at general meetings are always separate and distinct in terms of issue and are consistent with the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.
11.3	**All Directors attend general meetings** All directors will be in attendance at the Company's AGM to address shareholders' questions relating to the work of the Board and Board Committees. The Company's external auditors, KPMG LLP have also been invited to attend the AGM and will be available to assist the directors in addressing the shareholders' queries relating to the conduct of the audit and the preparation and content of the Auditors' Report. All directors attended the Company's AGM duly held on 28 April 2020. A record of the directors' attendance at AGM is set out in **Table 1**.

CORPORATE
GOVERNANCE REPORT

Provisions	**Corporate Governance Practices of the Company**
11.4	**Company's Constitution on absentia voting of shareholders** Under the Company's Constitution and pursuant to the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies to attend AGMs and any other general meeting. A registered shareholder who is not a relevant intermediary may appoint up to two proxies. The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other issues are satisfactorily resolved. Accordingly, the Company's Constitution does not currently expressly provide for such absentia voting methods at general meetings of shareholders.
11.5	**Minutes of general meeting are published via SGXNet and on the Company's website** Questions, comments received from shareholders and responses from the Board and Management were recorded in the minutes of general meetings. In view of the requirements of Covid-19 (Temporary Measures) (Alternative Arrangements For Meetings For Companies') Order 2020, the Company had published the minutes of its 2020 Annual General Meeting on SGXNet and the Company's website within one month after the date of the meeting.
11.6	**Dividend Policy** The Company does not have a dividend policy based on payout ratio. As the Company has registered current year and accumulated losses as at 31 December 2020 and its current priority is to preserve its cash to pursue strategic business planning and activities in order to achieve long-term capital growth for the benefit of shareholders, no dividend has been proposed for FY2020. The Board will continue to monitor the financial position of the Company and will propose dividends at the appropriate time to the best interest of the shareholders.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions	**Corporate Governance Practices of the Company**
12.1	**The Company provides avenues for communication between the Board and shareholders** The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. At AGMs, shareholders are given the opportunity to air their views and to ask the directors and Management questions regarding the Group. **Investor relations (if any) and mechanism of communication between the shareholders and the Company**
12.2	The Company has not put in place an investor relations policy to promote regular and proactive communication with shareholders. The Company will review such need going forward.
12.3	The Company is in regular communication with shareholders. It does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group. Price-sensitive information are disclosed in a timely manner and the half-year and full year financial results are released to the public through SGXNet in accordance with the requirements of SGX-ST which are available on SGXNet and the Company's website – www.enviro-hub.com

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions	Corporate Governance Practices of the Company
	Engagement with material stakeholder groups
13.1	The Company has appropriate channels in place to identify and engage with its key stakeholder groups. The Company recognizes the importance of understanding the Group's businesses and regular interactions with key stakeholders to determine material issues for the Group's businesses.
13.2	The Company embarked on a stakeholder engagement exercise with investors and shareholders, employees, customers and Government and Regulators in FY2020 for its sustainability reporting. The objective was for the Company to identify new opportunities and to manage risks associated with each stakeholder group. Feedback from all stakeholder groups was solicited through open dialogues on a regular basis. Internal stakeholder workshops for account-drivers and overseas markets were also organized to gather more in-depth views to enhance the Company's sustainability reporting.
13.3	**Corporate website to engage stakeholders** The strategy and key areas of focus in relation to the management of stakeholder relationships are disclosed under "Stakeholder Engagement" on Page 8 of the FY2020 Sustainability Report. The Company provides timely and informative updates relating to company announcements half-yearly financial results announcements and news releases on its corporate website. Moving forward, the Company will include more details on its management of stakeholder relationships during the reporting period, including best practices for compliance.

OTHER CORPORATE GOVERNANCE MATTERS

Rule 1207(19) of the SGX-ST Listing Manual	**Securities Transactions** An internal code on dealing in securities of the Company has been issued to directors and officers setting out the implications on insider trading. The Company's Directors and officers are not allowed to deal in the Company's shares one month before the announcement of the Company's half year and full year financial statements (the Company does not announce its quarterly financial statements). The directors and officers are not expected to deal in the Company's securities on considerations of a short-term nature. Directors and officers are required to observe insider trading provisions under the Securities & Futures Act (Chapter 289) at all times when dealing in the Company's securities. Directors of the Company are required to report all dealings to the Company Secretary.

CORPORATE GOVERNANCE REPORT

Rule 1207(8) of the SGX-ST Listing Rules

Material Contracts

Save for the following agreements entered into with Mr Raymond Ng Ah Hua, the Executive Chairman and a controlling shareholder of the Company, or his associates, which was still subsisting as at the end of FY2020, there were no other material contracts involving the interest of the directors or controlling shareholders entered into by the Group which are still subsisting as at the end of the financial year under review or entered into during the financial year under review:-

1. a service agreement dated 1 March 2020 was entered into between the Company and Mr Raymond Ng Ah Hua in relation to his employment with the Company; and

2. the joint venture agreement ("EHP JVA") dated as of 21 June 2013 entered into between the Company, BS Capital Pte. Ltd. ("BS Capital") and EH Property & Investments Pte. Ltd. ("EH Property"), as amended or supplemented from time to time, in relation to a joint venture between the Company and BS Capital to jointly carry on the business of property development, investment and management through EH Property. Under the terms of the EHP JVA, the Company has, inter alia, agreed to make available a shareholder's loan of up to S$60 million to EH Property to fund the joint venture ("EH Property Shareholder's Loan"). Under the terms of the EHP JVA, the EH Property Shareholder's Loan shall be interest-free, unsecured and repayable at such time as the parties may agree in writing in accordance with the terms and conditions of the EHP JVA. Further details on this joint venture and the EH Property Shareholder's Loan were set out in, inter alia, the Company's circular to shareholders dated 29 August 2013 and the Company's announcements on the SGXNet dated 25 June 2013, 8 July 2013 and 24 February 2014. Please also refer to the section entitled "Interested Person Transactions ("IPTs")" below for further details on the EH Property Shareholder's Loan.

Rule 1207(17) of the SGX-ST Listing Manual

Interested Person Transaction ("IPT")

The Group has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the Audit Committee and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The aggregate value of interested person transactions entered into during the financial year under review are as follows:-

Name of interested person	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions during the financial year under review conducted under Shareholders' Mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
EH Property & Investments Pte Ltd	Director has shareholding interest in BS Capital Pte. Ltd.	Shareholder's loan – $Nil (Note 1)	–
Carros Project Management Pte Ltd ("CPM")	Director has interest in CPM	Management fee expense – $120,000 (Note 2)	–

Notes:-

(1) The Company has an existing obligation to fund the joint venture entered into between the Company and BS Capital Pte. Ltd. in relation to EH Property & Investments Pte. Ltd. ("EH Property") by way of shareholder's loan ("EH Property Shareholder's Loan"). Details of the joint venture and the EH Property Shareholder's Loan were set out in the Company's circular to shareholders dated 29 August 2013 and the Company's announcements on the SGXNET dated 25 June 2013, 8 July 2013 and 24 February 2014. As at financial year ended 31 December 2020, the Company has disbursed an aggregate amount of S$15,311,041 to EH Property pursuant to the EH Property Shareholder's Loan.

(2) The subsidiaries of the Company, QF 1 Pte Ltd, QF 3 Pte Ltd, QF 4 Pte Ltd, QF 7 Pte Ltd, QF 8 Pte Ltd and QF 9 Pte Ltd, has entered into an agreement with CPM for asset management services for industrial building at 63 Hillview Avenue, Lam Soon Building.

CORPORATE GOVERNANCE REPORT

Rule 711A - 711B of the SGX-ST Listing Rules

Sustainability Reporting

Enviro-Hub continues to play its part in contributing to a smart nation and a low waste economy, through inspiring the landscape with iconic property developments and restoring resources with technology and solutions. We believe that the effective management of environmental, social and governance (ESG) risks and opportunities can help us to deliver long-term value to our stakeholders.

Enviro-Hub intends to publish its FY2020 Sustainability Report (the "SR"), which is aligned to SGX-ST's Listing Rules – Sustainability Reporting Guide, by 31 May 2021. This SR will be publicly accessible through Enviro-Hub's website as well as on SGXNet.

TABLE 1 – ATTENDANCE AT BOARD, BOARD COMMITTEES AND ANNUAL GENERAL MEETINGS FOR FY2020

	Board of Directors		Nominating Committee		Audit Committee		Remuneration Committee		AGM	Attendance	
	Number of Meetings										
Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Attended**	**Total**	**%**
Raymond Ng Ah Hua	2	2	1	1	2	2	1	1	1	7/7	100%
Samuel Poon Hon Thang	2	2	1	1	2	2	1	1	1	7/7	100%
Tan Kok Hiang	2	2	1	1	2	2	1	1	1	7/7	100%
Lai Huen Poh	2	2	1	1	2	2	1	1	1	7/7	100%

TABLE 2 – BOARD AND BOARD COMMITTEES

	Board	Nominating Committee	Audit Committee	Remuneration Committee
Non-Independent Directors				
Raymond Ng Ah Hua (Executive)	Chairman	Member	–	–
Lai Huen Poh (Non-Executive)	Member	–	Member	Member
Independent Non-Executive Directors				
Samuel Poon Hon Thang (also Lead Independent Director)	Member	Chairman	Member	Member
Tan Kok Hiang	Member	Member	Chairman	Chairman

TABLE 3 – DATE OF DIRECTOR'S INITIAL APPOINTMENT, LAST RE-ELECTION AND THEIR DIRECTORSHIPS / PRINCIPAL COMMITMENTS

Name of Director	Age	Date of initial appointment	Date of last re-election	Present directorships in listed companies	Past (preceding 5 years) directorships in listed companies	Principal Commitments
Raymond Ng Ah Hua	56	28/10/2004	25/04/2019	Enviro-Hub Holdings Ltd	–	Full time employment with the Group
Samuel Poon Hon Thang	71	26/09/2006	28/04/2020	1. Enviro-Hub Holdings Ltd 2. Soilbuild Construction Group Ltd 3. UOL Group Limited	–	–
Tan Kok Hiang	70	21/05/1999	25/04/2019	1. Enviro-Hub Holdings Ltd 2. LHT Holdings Ltd 3. Transit-Mixed Concrete Ltd 4 ICP Limited	–	–
Lai Huen Poh	66	27/05/2008	28/04/2020	Enviro-Hub Holdings Ltd	–	SJ architecture

CORPORATE GOVERNANCE REPORT

TABLE 4 – REMUNERATION OF DIRECTORS

The breakdown of the total remuneration of the Directors of the Company for the year ended 31 December 2020 is set out below:-

		Breakdown of Remuneration in Percentage (%)					Actual Total Remuneration in Compensation Bands of $100,000
Name of Directors	**Position**	**Director's Fee**	**Salary**	**Bonus**	**Other Benefits**	**Total**	
Raymond Ng Ah Hua	ED	*	90%	8%	2%	100%	700,001 – 800,000
Samuel Poon Hon Thang	NEID	100%	–	–	–	100%	<100,000
Tan Kok Hiang	NEID	100%	–	–	–	100%	<100,000
Lai Huen Poh	NED	100%	–	–	–	100%	<100,000
The Aggregate Total Remuneration (S$'000) of Directors		S$136,000	S$696,000	S$58,000	S$15,791	S$905,791	
		15%	77%	6%	2%	100%	

Notes:-
ED: Executive Director
NEID: Non-Executive Independent Director
NED: Non-Executive Director
* Nominal amount < 0.01%

TABLE 4A – REMUNERATION OF TOP KEY MANAGEMENT PERSONNEL

The breakdown of total remuneration of the top key management personnel of the Group (who are not directors) for the year ended 31 December 2020 is set out below:-

		Breakdown of Remuneration in Percentage (%)				Actual Total Remuneration in Compensation Bands of $100,000
Name of Key Management Personnel	**Position**	**Salary**	**Bonus**	**Other Benefits**	**Total**	
Tan Lay Mai	CFO/SD	89%	7%	4%	100%	400,001 – 500,000
Jerry Ng Boon Song	SD	79%	6%	15%	100%	100,001 – 200,000
Aung Naing Moe	SD	68%	6%	26%	100%	100,001 – 200,000
Lim Kheng Boon	SD	80%	7%	13%	100%	<100,000
The Aggregate Total Remuneration (S$'000) of Key Management Personnel		S$614,360	S$49,610	S$73,954	S$737,924	
		83%	7%	10%	100%	

Legends:-
Salary: Fixed pay comprises basic salary and director's fee from subsidiary.
Bonus: Bonus is paid based on the Company and individual's performance.
Other Benefits: Transport benefits and the Company's contribution towards the Singapore Central Provident Fund where applicable.

Notes:-
SD: Subsidiaries' Director
CFO: Chief Financial Officer

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2020.

In our opinion:

(a) the financial statements set out on pages 46 to 116 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Ng Ah Hua
Lai Huen Poh
Samuel Poon Hon Thang
Tan Kok Hiang

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Enviro-Hub Holdings Ltd.		
Ordinary shares		
Ng Ah Hua	418,172,864	418,172,864
Samuel Poon Hon Thang	923,333	923,333
Tan Kok Hiang	2,216,666	2,216,666
Lai Huen Poh	3,681,108	3,681,108

By virtue of Section 7 of the Act, Mr Ng Ah Hua is deemed to have interests in all other subsidiaries of the Company at the beginning and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2021, except for Mr Ng Ah Hua, who subscribed 700,000 and 500,000 ordinary shares on 14 January 2021 and 18 January 2021 respectively.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONTINUED)

Except as disclosed under the "Enviro-Hub Share Award Scheme" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this statement and in Note 26 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

ENVIRO-HUB SHARE AWARD SCHEME

The Enviro-Hub Share Award Scheme (the Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 22 November 2012. The Scheme is administered by the Remuneration Committee, comprising Mr Tan Kok Hiang (Chairman), Mr Samuel Poon Hon Thang and Mr Lai Huen Poh.

Scheme participants (Scheme Participants) will receive fully-paid ordinary shares of the Company free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets are met within a prescribed performance period determined at the absolute discretion of the Remuneration Committee. Performance targets set under the Scheme are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth. Examples of performance targets to be set include targets based on criteria such as sales growth, earnings per share and return on investment.

The selection of a Scheme Participant and the number of shares which are the subject of each share award (the Award) to be granted to a Scheme Participant in accordance with the Scheme shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort required to achieve the performance target(s) within the performance period.

Other information regarding the Scheme is set out below:

(a) Rationale

The Scheme operates to attract, retain and provide incentive to Scheme Participants to encourage greater dedication and loyalty by enabling the Company to give recognition for past contributions and services as well as motivating Scheme Participants generally to contribute towards the Company's long-term prosperity.

(b) Eligibility

The Scheme allows for participation by full-time employees of the Group (including Group Executive Directors) and Non-Executive Directors who have attained the age of 21 years and above on or before the relevant date of Award provided that none shall be an undischarged bankrupt or have entered into any compositions with their respective creditors, and who, in the absolute discretion of the Remuneration Committee, will be eligible to participate in the Scheme.

DIRECTORS' STATEMENT

ENVIRO-HUB SHARE AWARD SCHEME (CONTINUED)

(b) Eligibility (continued)

Persons who are Controlling Shareholders or associates of a Controlling Shareholder are also eligible to participate in the Scheme provided that the participation by such person and the actual number of Awards granted under the Scheme to such Participant who is a Controlling Shareholder or an associate of a Controlling Shareholder shall be approved by the independent Shareholders in a separate resolution for each such person subject to the following:

(i) the aggregate of the number of Shares comprised in Awards granted to Controlling Shareholders or associates of a Controlling Shareholder under the Scheme shall not exceed twenty-five per cent (25%) of the aggregate of the total number of Shares (comprised in Awards) which may be granted under the Scheme; and

(ii) the aggregate of the number of Shares in respect of Awards granted to each Controlling Shareholder or associates of a Controlling Shareholder shall not exceed ten per cent (10%) of the total number of Shares (comprised in Awards) which may be granted under the Scheme.

Subject to the Act and any requirement of the Singapore Exchange Securities Trading Limited (SGX-ST), the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Remuneration Committee.

(c) Duration of the Scheme

The Scheme shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date the Scheme is adopted by the Company in general meeting, provided always that the Scheme may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the Scheme, any Awards made to Scheme Participants prior to such expiry or termination will continue to remain valid.

(d) Size of the Scheme

The aggregate number of Award shares (comprising new shares and/or treasury shares) to be delivered pursuant to Awards granted on any date, when added to the number of new shares issued and issuable and the number of treasury shares delivered, in respect of all other share schemes of the Company for the time being in force (if any) shall not exceed fifteen per cent (15%) of the issued share capital of the Company (excluding treasury shares) on the day preceding the relevant date of the Award. The number of existing shares which may be purchased from the market for delivery upon vesting of the Awards granted under the Scheme, will not be subject to any limit. Alternatively, the Company may make a release of Awards in cash instead of shares and Scheme Participants entitled to such Awards will receive in lieu of shares, the aggregate market value of such Shares. Such methods will not be subject to any limit as they do not involve the issue of any new shares or the transfer of any treasury shares.

Details of the Awards granted, vested and cancelled during the financial year, and Awards outstanding as at the end of the financial year, were as follows:

	Balance as at 1 January 2020	Share awards granted	Share awards vested	Share awards cancelled	Balance as at 31 December 2020
Group Executive Chairman					
Mr Ng Ah Hua	8,168,918	–	–	–	8,168,918

DIRECTORS' STATEMENT

ENVIRO-HUB SHARE AWARD SCHEME (CONTINUED)

Since the commencement of the Scheme to the date of this statement, Awards comprising 15,814,862 ordinary shares were granted to the Company's directors.

Awards comprising 5,445,944 ordinary shares were entitled to Mr Ng Ah Hua under the Scheme for the financial years ended 31 December 2013 and 2014 were allotted on 11 April 2018.

Awards comprising 2,200,000 ordinary shares were entitled to the Company's Non-Executive Directors under the Scheme for the financial year ended 31 December 2015, of which 1,650,000 ordinary shares were allotted to 3 Non-Executive Directors on 11 April 2018. In addition, the remaining 550,000 ordinary shares award was cancelled as a result of resignation of a director in 2016.

As at 31 December 2020, other than disclosed above, no other Scheme Participant has been granted Awards under the Scheme, in aggregate, represents five per cent (5%) or more of the aggregate of the total number of new shares and/or treasury shares available under the Scheme.

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries.

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this statement are:

- Tan Kok Hiang (Chairman), independent director
- Samuel Poon Hon Thang, independent director
- Lai Huen Poh, non-executive director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held 2 meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Group's officers to the internal and external auditors;

- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

DIRECTORS' STATEMENT

AUDIT COMMITTEE (CONTINUED)

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Ng Ah Hua
Director

Tan Kok Hiang
Director

29 March 2021

INDEPENDENT AUDITORS' REPORT

Members of the Company
Enviro-Hub Holdings Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Enviro-Hub Holdings Ltd. ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 116.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Enviro-Hub Holdings Ltd.

Valuation of investment properties – $116.5 million
Refer to Note 6 and Note 29 to the financial statements.

The key audit matter	*How the matter was addressed in our audit*
The Group owns a portfolio of investment properties, comprising multiple strata units of the Lam Soon Industrial Building, which are leased to third parties under operating leases. Investment properties represent the largest category of assets on the consolidated statement of financial position of the Group. These investment properties are stated at fair values based on independent external valuations, using the market comparison approach. The valuations are sensitive to the choice of valuation methodology and key assumptions applied; where a change in the assumptions can have a significant impact to the valuation.	We evaluated the qualifications, objectivity and competency of the external valuer and held discussions with the valuer to understand the valuation method and assumptions and basis used. We evaluated the appropriateness of key assumptions applied, including the price per square foot applied by comparing against recent transactions and available industry data, taking into consideration comparability and market factors. We also considered the adequacy of the disclosures in the financial statements, in describing the key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values.

Our findings

The valuer is a member of generally-recognised professional bodies for valuers and has considered his own objectivity and independence in carrying out the work. The valuation methodology used is in line with generally accepted market practices and the key assumptions used are within the range of comparable market data. The disclosures in the financial statements are appropriate.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Enviro-Hub Holdings Ltd.

<table>
<tr><td colspan="2">Impairment of property, plant and equipment (the 'PPE') and Company's investments in subsidiaries
Refer to Note 4 and Note 7 to the financial statements</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Management has identified the existence of impairment indicators on the Group's PPE and the Company's investments in subsidiaries in relation to the Piling and Refinery cash generating units ('CGU') as a result of losses experienced by the Group in the current year. Consequently, management conducted impairment assessments on these assets.

Management applies the value-in-use ('VIU') method to determine the recoverable amount of the CGUs. Key assumptions and estimates used in the VIU calculations include revenue growth rate, gross profit margins and applicable discount rates. The determination of these assumptions involve judgement and is subject to estimation uncertainties.

Based on management's assessment, the recoverable amounts of the Company's investments in subsidiaries in relation to the Refinery CGU is below the carrying amount. Consequently, the Company recognised an allowance for impairment loss of $6,700,000 for the CGU.</td><td>Our procedures include the following:
• We evaluated management's basis of determination and identification of the CGUs.
• We performed retrospective review on management forecast by comparing historical forecasts against historical performance to assess the reliability of management forecast process.
• We assessed the reasonableness of the key assumptions by comparing them with historical performance and future business plans.
• We independently derived applicable discount rates from available industry data and compared these with that used by management.
• We performed stress tests using a plausible range of key assumptions, and analysed the impact to the carrying amount.
• We considered the adequacy of the Group and Company's disclosures in respect to the impairment testing, including the sensitivities of the recoverable amount to variations in assumptions.</td></tr>
<tr><td colspan="2">Our findings
We found management's identification of CGUs and assessment for impairment indicators to be appropriate. The underlying assumptions and resulting estimates used to determine the recoverable amounts of the Group's PPE and the Company's investments in subsidiaries were within a balanced range of outcomes.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

Members of the Company
Enviro-Hub Holdings Ltd.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charge with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Enviro-Hub Holdings Ltd.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ong Chai Yan.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
29 March 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current assets					
Property, plant and equipment	4	29,022	30,961	106	126
Intangible assets	5	–	–	–	–
Investment properties	6	116,503	131,300	–	–
Subsidiaries	7	–	–	41,104	47,804
Trade and other receivables	9	12	245	–	–
		145,537	162,506	41,210	47,930
Current assets					
Assets held for sale	12	7,273	3,442	–	–
Inventories	10	3,203	2,389	–	–
Trade and other receivables	9	4,501	7,660	9,392	11,571
Cash and cash equivalents	11	17,251	5,015	9,318	79
		32,228	18,506	18,710	11,650
Total assets		177,765	181,012	59,920	59,580
Equity attributable to owners of the Company					
Share capital	13	104,619	96,158	104,619	96,158
Foreign currency translation reserve	14	232	391	–	–
Other reserve	15	(6,852)	(6,852)	–	–
Accumulated losses		(42,118)	(41,128)	(69,000)	(61,272)
		55,881	48,569	35,619	34,886
Non-controlling interests	16	(3,887)	(4,012)	–	–
Total equity		51,994	44,557	35,619	34,886
Non-current liabilities					
Loans and borrowings	17	88,752	99,307	4	17
Trade and other payables	18	17,261	20,261	22	3,036
		106,013	119,568	26	3,053
Current liabilities					
Loans and borrowings	17	9,571	6,696	12	12
Trade and other payables	18	10,175	10,161	24,263	21,629
Current tax payable		12	30	–	–
		19,758	16,887	24,275	21,641
Total liabilities		125,771	136,455	24,301	24,694
Total equity and liabilities		177,765	181,012	59,920	59,580

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000
Continuing operations			
Revenue	19	30,770	34,196
Cost of sales		(25,529)	(27,334)
Gross profit		5,241	6,862
Other income	20	4,133	4,199
Selling and distribution expenses		(2,671)	(2,833)
General and administrative expenses		(3,724)	(3,680)
Allowance for impairment loss on trade and other receivables		(163)	(36)
Other operating expenses	21	(32)	(352)
Results from operating activities		2,784	4,160
Finance income	22	25	13
Finance costs	22	(3,428)	(3,286)
Net finance costs		(3,403)	(3,273)
(Loss)/profit before taxation	23	(619)	887
Income tax credit/(expense)	24	14	(45)
(Loss)/profit for the year		(605)	842
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Translation differences relating to financial statements of foreign operations and a subsidiary with functional currency in foreign currency		(419)	156
Other comprehensive income for the year		(419)	156
Total comprehensive income for the year		(1,024)	998
(Loss)/profit attributable to:			
Owners of the Company		(990)	298
Non-controlling interests		385	544
(Loss)/profit for the year		(605)	842
Total comprehensive income attributable to:			
Owners of the Company		(1,149)	335
Non-controlling interests		125	663
Total comprehensive income for the year		(1,024)	998
Earnings per share:			
Basic and diluted (cents)	25	(0.10)	0.03

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Share capital $'000	Foreign currency translation reserve $'000	Other reserve $'000	Accumulated losses $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2019	96,158	354	(6,852)	(41,426)	48,234	(4,675)	43,559
Total comprehensive income for the year							
Profit for the year	–	–	–	298	298	544	842
Other comprehensive income							
Translation differences relating to financial statements of foreign operations and a subsidiary with functional currency in foreign currency	–	37	–	–	37	119	156
Total other comprehensive income	–	37	–	–	37	119	156
Total comprehensive income for the year	–	37	–	298	335	663	998
At 31 December 2019	96,158	391	(6,852)	(41,128)	48,569	(4,012)	44,557

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Share capital $'000	Foreign currency translation reserve $'000	Other reserve $'000	Accumulated losses $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2020	96,158	391	(6,852)	(41,128)	48,569	(4,012)	44,557
Total comprehensive income for the year							
(Loss)/profit for the year	–	–	–	(990)	(990)	385	(605)
Other comprehensive income							
Translation differences relating to financial statements of foreign operations and a subsidiary with functional currency in foreign currency	–	(159)	–	–	(159)	(260)	(419)
Total other comprehensive income	–	(159)	–	–	(159)	(260)	(419)
Total comprehensive income for the year	–	(159)	–	(990)	(1,149)	125	(1,024)
Transactions with owners, recognised directly in equity							
Contribution by owners							
Issue of ordinary shares	8,461	–	–	–	8,461	–	8,461
Total contributions by owners	8,461	–	–	–	8,461	–	8,461
At 31 December 2020	104,619	232	(6,852)	(42,118)	55,881	(3,887)	51,994

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000
Cash flows from operating activities			
(Loss)/profit for the year		(605)	842
Adjustments for:			
Allowance for impairment loss on trade and other receivables		163	36
Bad debt written off	21	32	–
Reversal of allowance for write-down of inventories	10	(52)	(111)
Depreciation of property, plant and equipment	4	3,062	2,738
Fair value gain on investment properties	6	(1,949)	(3,600)
Fair value gain on precious metal	20	(206)	–*
Finance costs	22	3,428	3,286
Finance income	22	(25)	(13)
Gain on disposal of property, plant and equipment	20	(58)	(9)
Impairment loss on property, plant and equipment	21	–	12
Income tax (credit)/expense	24	(14)	45
Property, plant and equipment written off	21	–	294
Provision for onerous contract	23	37	–
		3,813	3,520
Changes in working capital:			
Inventories		(600)	(213)
Trade and other receivables		3,175	1,150
Trade and other payables		(2,335)	(500)
Cash generated from operating activities		4,053	3,957
Income taxes paid		(4)	(58)
Net cash from operating activities		4,049	3,899
Cash flows from investing activities			
Purchase of property, plant and equipment		(627)	(3,126)
Interest received	22	25	13
Proceeds from disposal of property, plant and equipment		297	112
Proceeds from disposal of assets held for sale		12,915	4,909
Net cash from investing activities		12,610	1,908

* Denotes amount <$1,000

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Cash flows from financing activities			
Withdraw/(pledging) of fixed deposits		27	(173)
Interest paid		(3,235)	(3,068)
Proceeds from shares issued		8,461	–
Loan from a non-controlling interest		–	1,083
(Repayment)/loans due to a shareholder		(1,200)	3,000
Repayment of lease liabilities		(727)	(561)
Proceed from short-term loans and borrowings		486	718
Repayment of long-term loans and borrowings		(8,200)	(7,330)
Net cash used in financing activities		(4,388)	(6,331)
Net increase/(decrease) in cash and cash equivalents		12,271	(524)
Cash and cash equivalents at 1 January		3,508	4,042
Effect of exchange rate fluctuations on cash held		(8)	(10)
Cash and cash equivalents at 31 December	11	15,771	3,508

Non-cash transaction

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $1,262,000 (2019: $11,580,000), of which $635,000 were acquired under finance leases (2019: $111,000 were acquired under finance leases and $8,343,000 were acquired under bank borrowings).

Reconciliation of liabilities to cash flows arising from financing activities

The Group's reconciliation of liabilities to cash flows arising from financing activities is disclosed in the following page.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Cash and cash equivalents (Note 11)	Loans and borrowings (Note 17)				Trade and other payables (Note 18)			
	Pledged fixed deposits $'000	Bank overdrafts $'000	Other loans and borrowings $'000	Invoice financing $'000	Lease liabilities $'000	Non-interest bearing loans due to a non-controlling interest $'000	Interest bearing loans due to a shareholder $'000	Other accruals (includes interest expenses) $'000	Total $'000
Balance as at 1 January 2019	(1,334)	–	97,867	–	227	13,628	–	1,709	112,097
Changes from financing cash flows									
Pledge of fixed deposits	(173)	–	–	–	–	–	–	–	(173)
Non-interest bearing loans from a non-controlling interest	–	–	–	–	–	1,083	–	–	1,083
Loans from a shareholder	–	–	–	–	–	–	3,000	–	3,000
Payment of lease liabilities	–	–	–	–	(561)	–	–	–	(561)
Repayment of long-term loans and borrowings	–	–	(7,330)	–	–	–	–	–	(7,330)
Proceed from short-term loans and borrowings	–	–*	–	718	–	–	–	–	718
Interest paid	–	–	–	–	(192)	–	–	(2,876)	(3,068)
Total changes from financing cash flows	(173)	–*	(7,330)	718	(753)	1,083	3,000	(2,876)	(6,331)
Other changes									
New loans and leases	–	–	8,343	–	6,743	–	–	–	15,086
Changes in other payables	–	–	–	–	–	–	–	54	54
Foreign exchange loss	–	–	(4)	–	–	–	–	–	(4)
Interest expenses	–	–	–	–	192	–	–	3,094	3,286
Total liability related other changes	–	–	8,339	–	6,935	–	–	3,148	18,422
Balance as at 31 December 2019	(1,507)	–*	98,876	718	6,409	14,711	3,000	1,981	124,188

* Denotes amount <$1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Cash and cash equivalents (Note 11)	Share Capital (Note 13)	Loans and borrowings (Note 17)			Trade and other payables (Note 18)			
	Pledged fixed deposits $'000	Share capital $'000	Other loans and borrowings $'000	Invoice financing $'000	Lease liabilities $'000	Non-interest bearing loans due to a non-controlling interest $'000	Interest bearing loans due to a shareholder $'000	Other accruals (includes interest expenses) $'000	Total $'000
Balance as at 1 January 2020	(1,507)	96,158	98,876	718	6,409	14,711	3,000	1,981	220,346
Changes from financing cash flows									
Withdraw/(pledging) of fixed deposits	27	–	–	–	–	–	–	–	27
Proceed from share issued	–	8,461	–	–	–	–	–	–	8,461
Repayment of shareholder loan	–	–	–	–	–	–	(1,200)	–	(1,200)
Payment of lease liabilities	–	–	–	–	(727)	–	–	–	(727)
Repayment of long-term loans and borrowings	–	–	(8,200)	–	–	–	–	–	(8,200)
Proceed from short-term loans and borrowings	–	–	–	486	–	–	–	–	486
Interest paid	–	–	–	–	(244)	–	–	(2,991)	(3,235)
Total changes from financing cash flows	27	8,461	(8,200)	486	(971)	–	(1,200)	(2,991)	(4,388)
Other changes									
New leases	–	–	–	–	761	–	–	–	761
Changes in other payables	–	–	–	–	–	–	–	(498)	(498)
Interest expenses	–	–	–	–	244	–	–	3,184	3,428
Total liability related other changes	–	–	–	–	1,005	–	–	2,686	3,691
Balance as at 31 December 2020	(1,480)	104,619	90,676	1,204	6,443	14,711	1,800	1,676	219,649

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 March 2021.

1. DOMICILE AND ACTIVITIES

Enviro-Hub Holdings Ltd. (the Company) is incorporated in the Republic of Singapore. The address of the Company's registered office is 3 Gul Crescent, Singapore 629519.

The financial statements of the Group as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interest in equity accounted investee.

The principal activity of the Company is that of an investment holding company. The principal activities of the Group consist of investing in and management of commercial and industrial properties, trading of ferrous and non-ferrous metals, trading of electronic waste (e-waste), e-waste recycling and Platinum Group Metals (PGM) refining, piling and construction works, sale, rental and servicing of engineering hardware, construction machinery and equipment, and investment holding.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as otherwise described in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – estimation of recoverable amounts of property, plant and equipment
- Note 7 – estimation of recoverable amounts of investment in subsidiaries
- Note 28 – measurement of expected credit loss (ECL) allowance for trade and other receivables
- Note 29 – fair value determination of investment properties

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group performs annual review on the significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 29.

NOTES TO THE
FINANCIAL STATEMENTS

Year ended 31 December 2020

2. BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I)1- 8)
- *Interest Rate Benchmark Reform* (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ('NCI') in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiaries in separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency (Continued)

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income ('OCI'). However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (Continued)

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Property, plant and equipment under construction are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Leasehold properties	6 to 24 years
Plant and machinery	3 to 20 years
Motor vehicles	5 to 10 years
Furniture and fixtures	3 to 10 years
Office equipment	3 to 10 years
Renovations	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets

Other intangible assets

Other intangible assets (patented technology) that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the patented technology of 15 years from the date that it is available for use.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

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FINANCIAL STATEMENTS
Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3.6 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE
FINANCIAL STATEMENTS
Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE
FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (Continued)

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12 Tax.

3.7 Impairment

Non-derivative financial assets and contract assets

The Group recognised loss allowances for expected credit losses ('ECLs') on the following financial assets:

- financial assets measured at amortised cost
- contract assets (as defined in SFRS(I) 15)

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applied the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

General approach (Continued)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concessions(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories, and contract assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, as if no impairment loss had been recognised.

3.8 Inventories

Trading inventories, raw materials and consumables

Inventories comprises precious metal held for short term trading purposes are measured at fair value less cost to sell. Any changes in the fair value is recognised in profit and loss statement for the period in which it arose.

Other inventories are measured at the lower of cost and net realisable value.

The cost of inventory items that are not ordinarily interchangeable (electronic waste and other scraps) is assigned by using specific identification of their individual costs and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

The cost of inventory items that are ordinarily interchangeable (precious group metal) is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised in profit or loss in the periods during which related services are rendered by employees.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Employee benefits (Continued)

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.10 Assets held for sale

Non-current asset that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, are measured at lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

3.11 Financial guarantee contracts

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Company will be required to make a payment under the guarantee. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Revenue

Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand- alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue is recognised at a point in time following the timing of satisfaction of the PO. Invoices are issued upon delivery of goods or the completion of service and are payable within 30 days.

Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on piling services under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a PO can be reasonably measured, construction revenue is recognised over time as each PO is satisfied and when the Group has an enforceable right to payment for performance completed to date. The progress towards the completed satisfaction of each PO is measured using the output method based on direct measurements of the value of services delivered or surveys of work performed.

The likelihood of the Group suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Progress billings to the customer are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional.

The Group is required to make good any defects identified during the defect liability period, typically for a period of 3 to 6 months, depending on the contractual terms.

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Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Revenue (Continued)

Rental income

Rental income from investment property is recognised as 'revenue' on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as 'other income'.

3.14 Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.15 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of properties, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of properties and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

NOTES TO THE
FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leases (Continued)

As a lessee (Continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leases (Continued)

As a lessor (Continued)

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of ‘revenue’. Rental income from sub-leased property is recognised as ‘other income’.

3.16 Finance income and finance costs

Finance income comprises interest income on funds deposited with financial institutions and is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and unwinding of the discount on deferred consideration and payables.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.18 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Chairman to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Executive Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, cash and cash equivalents, loans and borrowings, deferred income, corporate expenses, finance costs and income tax expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.20 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Covid-19-Related Rent Concessions* (Amendment to SFRS(I) 16)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fixtures $'000	Office equipment $'000	Renovations $'000	Construction-in-progress $'000	Total $'000
Group								
Cost								
At 1 January 2019	16,371	32,072	1,450	151	1,460	1,416	20,141	73,061
Recognition of right-of-use asset on initial application of SFRS(I) 16	3,703	–	–	–	89	–	–	3,792
Adjusted balance at 1 January 2019	20,074	32,072	1,450	151	1,549	1,416	20,141	76,853
Additions	13,313	358	157	13	72	118	485	14,516
Disposals/write offs	–	(513)	(66)	(1)	(114)	(320)	–	(1,014)
Reclassification	–	539	–	–	–	406	(945)	–
Effect of movement in exchange rates	–	(95)	(5)	(1)	(7)	(11)	(204)	(323)
At 31 December 2019	33,387	32,361	1,536	162	1,500	1,609	19,477	90,032
At 1 January 2020	33,387	32,361	1,536	162	1,500	1,609	19,477	90,032
Additions	126	961	14	12	42	233	–	1,388
Disposals/write offs	–	(1,377)	–	–	–	–	–	(1,377)
Reclassification	–	41	–	–	20	261	(322)	–
Effect of movement in exchange rates	–	(126)	(7)	(1)	(8)	(16)	259	101
At 31 December 2020	33,513	31,860	1,543	173	1,554	2,087	19,414	90,144

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold properties $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fixtures $'000	Office equipment $'000	Renovations $'000	Construction-in-progress $'000	Total $'000
Group								
Accumulated depreciation and impairment loss								
At 1 January 2019	7,599	26,751	1,242	132	1,367	776	19,360	57,227
Depreciation charge for the year	1,278	1,140	78	6	59	177	–	2,738
Disposals/write offs	–	(420)	(66)	(1)	(93)	(29)	–	(609)
Impairment losses	–	12	–	–	–	–	–	12
Effect of movement in exchange rates	–	(79)	(3)	(1)	(6)	(4)	(204)	(297)
At 31 December 2019	8,877	27,404	1,251	136	1,327	920	19,156	59,071
At 1 January 2020	8,877	27,404	1,251	136	1,327	920	19,156	59,071
Depreciation charge for the year	1,544	1,142	79	8	67	222	–	3,062
Disposals/write offs	–	(1,138)	–	–	–	–	–	(1,138)
Effect of movement in exchange rates	–	(109)	(4)	(1)	(7)	(10)	258	127
At 31 December 2020	10,421	27,299	1,326	143	1,387	1,132	19,414	61,122
Carrying amounts								
At 1 January 2019	8,772	5,321	208	19	93	640	781	15,834
At 31 December 2019	24,510	4,957	285	26	173	689	321	30,961
At 31 December 2020	23,092	4,561	217	30	167	955	–	29,022

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles $'000	Office equipment $'000	Renovations $'000	Total $'000
Company				
Cost				
At 1 January 2019	170	323	14	507
Recognition of right-of-use asset on initial application of SFRS(I) 16	–	41	–	41
Adjusted balance at 1 January 2019	170	364	14	548
Additions	–	25	–	25
Disposals/write offs	–	(28)	(14)	(42)
At 31 December 2019	170	361	–	531
At 1 January 2020	170	361	–	531
Additions	14	7	–	21
At 31 December 2020	184	368	–	552
Accumulated depreciation				
At 1 January 2019	80	315	7	402
Depreciation charge for the year	18	20	4	42
Disposals/write offs	–	(28)	(11)	(39)
At 31 December 2019	98	307	–	405
At 1 January 2020	98	307	–	405
Depreciation charge for the year	17	24	–	41
At 31 December 2020	115	331	–	446
Carrying amounts				
At 1 January 2019	90	8	7	105
At 31 December 2019	72	54	–	126
At 31 December 2020	69	37	–	106

Security

At 31 December 2020, various property, plant and equipment of the Group with the following carrying amounts were pledged to secure bank loans and borrowings (see Note 17):

	Group 2020 $'000	Group 2019 $'000
Term loan:		
– Leasehold properties	17,360	18,364
– Plant and machineries	624	745
Lease liabilities:		
– Motor vehicle	142	171
– Plant and machineries	1,176	447
	19,302	19,727

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment of property, plant and equipment

The Group reviews the carrying amount of the assets as at the reporting date to determine whether there is any indication of impairment. In the current year, the Group identified indicators of impairment on the following CGUs:

- Refinery CGU
- Piling CGU

Management assessed that there were no indicators of impairment on the property, plant and equipment in the Trading of e-waste CGU as the financial performance of the CGU for the financial year exceeded management's expectations and budget. On this basis, no further assessment was performed for the Trading of e-waste CGU.

Management has estimated the recoverable amounts of the Refinery CGUs and Piling CGU based on the value-in-use calculations.

The value-in-use was determined by discounting the expected future cash flows generated over the useful life of essential assets within the cash generating units ('CGU') for the Group's PPE or from the continuing operating of CGU for the Company's investments in subsidiaries, based on financial budget and forecast approved by management.

The value in use calculation for the respective CGUs was based on cash flow projections with the following key assumptions:

2020	Refinery CGU %	Piling CGU %
Group		
Revenue growth rate	5.0 – 16.0	5.0
Gross profit margin	10.0 – 16.0	2.0 – 6.0
Pre-tax discount rate	13.2	12.2

2019	Trading of e-waste CGU %
Group	
Revenue growth rate	5.0 – 32.0
Gross profit margin	43.0 – 70.0
Pre-tax discount rate	11.3

The forecasted revenue growth rate is estimated based on past performance and the expectations of market developments. The discount rates are a pre-tax measure estimated based on the weighted average cost of capital of comparable companies.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment of property, plant and equipment (Continued)

Sensitivity analysis

For the Refinery CGU and Piling CGU, the following table shows the amount by which key assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Refinery CGU %	Piling CGU %
Group		
Revenue growth rate	(0.2)	(1.0)
Gross profit margin	(1.3)	(2.6)
Discount rate	2.5	0.7

In 2019, the Group believes that any reasonably possible changes in the above assumptions is not likely to materially cause the recoverable amount to be lower than its carrying amount.

2019

The fair value measurement is categorised as Level 3 under the fair value hierarchy (see Note 2.4). Details of valuation techniques and key inputs for the estimation of the recoverable amounts of CGU based on fair value less cost of disposal:

Type	Valuation technique	Significant unobservable inputs
Leasehold properties	Comparison Method of Valuation	Comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, tenure and time of transaction.
Crane and piling machinery	Comparison Method of Valuation	Comparing the machinery with comparable machineries which have been sold or are being offered for sale and making adjustments for factors which affect value such as age, condition, economic or functional obsolescence and environmental factors.
	Depreciated Replacement Cost Method	Aggregated amount of gross replacement cost of the machinery from which appropriate deductions may then be made for the age, condition, economic or functional obsolescence and environmental factors.

Source of estimation uncertainty

The Group considers its asset impairment accounting policy to be a policy that requires extensive applications of judgements and estimates by management.

The Group assess at each reporting date whether there is objective evidence that its property, plant and equipment are impaired. To determine whether there is objective evidence of impairment, the Group considers factors (both internal and external), such as general economic conditions, government policies, the Group's recent financial performance and budget forecasts, and other factors which could affect the carrying value of these assets.

The use of future cash flows involves judgement and estimates. Significant changes in market outlook and actual circumstances may materially affect the recoverable values estimated and may lead to impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

5. INTANGIBLE ASSETS

	Patented technology $'000
Cost	
At 1 January 2020 and 31 December 2020	4,600
Accumulated amortisation and impairment loss	
At 1 January 2020 and 31 December 2020	4,600
Carrying amounts	
At 1 January 2020 and 31 December 2020	–

6. INVESTMENT PROPERTIES

	Note	Group 2020 $'000	2019 $'000
At 1 January		131,300	134,700
Change in fair value – fair value gain	20	1,949	3,600
Reclassed to assets held for sale	12	(7,273)	(3,442)
Disposals of strata units		(9,473)	(3,558)
At 31 December		116,503	131,300

Investment properties comprise a number of industrial properties that are leased to third parties. Generally, each of the leases contains an initial non-cancellable period of 1 to 5 years. Subsequent renewals are negotiated with the lessee and on average, the renewal period is 1 to 6 years. No contingent rents are charged.

Changes in fair value are recognised as gain or loss in profit or loss and included in other income or other operating expenses. All gains and losses are unrealised. The fair value measurement of the investment properties is disclosed in Note 29.

Security

Investment properties are pledged as security to secure bank loans and borrowings (see Note 17).

Amounts recognised in profit or loss

Rental income recognised by the Group in 2020 was $2,858,000 (2019: $2,707,000) and were included in 'revenue' (see Note 19). Direct operating expenses of $966,000 (2019: $1,182,000) were included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

7. SUBSIDIARIES

	Company 2020 $'000	Company 2019 $'000
Unquoted equity shares, at cost	221,871	221,871
Impairment loss	(196,078)	(189,378)
	25,793	32,493
Loans to a subsidiary	15,311	15,311
	41,104	47,804

Impairment loss

The Company evaluates, amongst other factors, the future profitability of the subsidiary and its financial health and near term business outlook, including factors such as industry and sector performance, changes in technology and operational and financial cash flows, to assess the recoverable amounts of its investments of its subsidiaries. The recoverable amount of the subsidiary could change significantly as a result of changes in market conditions and the assumptions used in determining the recoverable amount.

Differences between the actual performance of the subsidiaries and management's annual impairment review will affect the results of the period in which such differences are determined. An increase in impairment loss will increase other operating expenses and decrease non-current assets.

Due to continued losses incurred by the Piling CGU and Refinery CGU, management estimated the recoverable amounts of the CGUs based on its value-in-use. The recoverable amounts of the CGUs is determined based on the key assumptions disclosure in Note 4 and additional key assumption for valuation of investment in subsidiaries is as follows:

2020	Piling CGU %
Company	
Terminal value growth rate	2.0

As a result of management assessment, impairment loss in respect of investments in the Refinery CGU during the year are as follows:

	Company 2020 $'000	Company 2019 $'000
At 1 January	189,378	189,378
Impairment loss	6,700	–
At 31 December	196,078	189,378

Sensitivity analysis

For the Piling CGU, the following table shows the amount by which key assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

2020	Piling CGU %
Company	
Revenue growth rate	(1.1)
Gross profit margin	(4.6)

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Year ended 31 December 2020

7. SUBSIDIARIES (CONTINUED)

Following the impairment loss recognised in the Refinery CGU, the recoverable amounts are equal to their carrying amounts. Any adverse fluctuations on key assumptions may lead to additional impairment losses in future periods.

Loans to a subsidiary form part of the Company's net investments in this subsidiary. The loans are interest free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Company. Accordingly, these loans are stated at cost less accumulated impairment losses. Upon adoption of SFRS(I) 9, these balances are reclassified from loan and receivables to interest in subsidiaries.

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity interest held by the Group 2020 %	2019 %
Cimelia Resource Recovery Pte Ltd[1]	E-waste recycling and PGM refining	Singapore	100	100
EH Property & Investments Pte Ltd[1]	Investment holding	Singapore	51	51
Enviro-Metals Pte Ltd[1,2]	Recovery and processing of ferrous and non-ferrous metals and rental, servicing and sale of machinery and equipment	Singapore	100	100
Enviro Investments Pte Ltd[2,6]	Investment holding	Singapore	–	100
Enviro-Power Pte Ltd[1,4]	Converting plastics to fuel and investment holding	Singapore	39	39
Enviro Property Pte Ltd[1,5]	Property holding	Singapore	100	100
HLS Environmental Pte Ltd[1]	Recycling and trading of e-waste	Singapore	80.25	80.25
Leong Hin Piling (Pte.) Limited[1]	Piling contractor	Singapore	100	100
Held by Enviro-Power Pte Ltd				
Enviro Restorer S R L[2,3,4,7]	Converting plastics to fuel	Italy	39	39
Held by Leong Hin Piling (Pte.) Limited				
Leong Hin Builders Pte Ltd[1]	Building and construction related engineering and technical services	Singapore	100	100
Held by EH Property & Investments Pte Ltd				
EH Property Management Pte Ltd[1]	Commercial and industrial real estate management	Singapore	51	51
QF Properties Pte Ltd[1]	Investment holding	Singapore	51	51

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

7. SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity interest held by the Group 2020 %	2019 %
Held by QF Properties Pte Ltd				
QF 1 Pte Ltd[1]	Real estate activities with own or leased property	Singapore	51	51
QF 3 Pte Ltd[1]	Real estate activities with own or leased property	Singapore	51	51
QF 4 Pte Ltd[1]	Real estate activities with own or leased property	Singapore	51	51
QF 7 Pte Ltd[1]	Real estate activities with own or leased property	Singapore	51	51
QF 8 Pte Ltd[1]	Real estate activities with own or leased property	Singapore	51	51
QF 9 Pte Ltd[1]	Real estate activities with own or leased property	Singapore	51	51
Held by HLS Environmental Pte Ltd				
HLS Property Pte Ltd[1]	Property holding	Singapore	100	100

1 Audited by KPMG LLP, Singapore.
2 Dormant.
3 Audit is not required under local regulations.
4 These entities are classified as subsidiaries of the Group as management has determined that the Group controls these entities. Although the Group owns less than half of these entities, the Group holds more than half of the voting power of these entities by virtue of an agreement with its other investors. Based on the terms of agreements under which these entities are established, the Group has the ability to direct these entities' activities that most significantly affect their returns.
5 The equity interest of the entity was transferred from Enviro-Power Pte Ltd to Enviro-Hub Holdings Ltd during financial year 2018.
6 The entity was struck-off on 4 May 2020.
7 The entity was disposed on 25 February 2021.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

8. JOINT OPERATION

The Group through its wholly owned subsidiary, Leong Hin Builders Pte Ltd, is a 40% partner in a joint arrangement formed with SB Procurement Pte Ltd to jointly develop the building of a 7-storey multiple-user general industrial development at 60 Jalan Lam Huat, Singapore 737869. The principal place of business of the joint arrangement is in Singapore. As the joint arrangement is not structured through a separate vehicle, the Group has classified it as a joint operation.

Details of the joint operation are as follows:

Name of joint operation	Principal activities	Country of incorporation	Effective equity interest held by the Group 2020 %	Effective equity interest held by the Group 2019 %
Held by Leong Hin Builders Pte Ltd				
SB Procurement Pte Ltd	Property developer	Singapore	40	40

9. TRADE AND OTHER RECEIVABLES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Trade receivables		1,536	3,682	–	–
Amount due from a related party (trade)		–	213	–	–
Impairment losses		(44)	(262)	–	–
		1,492	3,633	–	–
Contract assets	19	1,796	3,274	–	–
Impairment losses		(207)	(157)	–	–
		1,589	3,117	–	–
Amounts due from subsidiaries:					
– interest bearing loans		–	–	5,990	7,430
– non-interest bearing loans		–	–	362	498
– trade		–	–	2,313	3,204
– non-trade		–	–	1,043	928
Impairment losses		–	–	(362)	(517)
		–	–	9,346	11,543
Deposits		484	418	–	–
Other receivables		848	602	22	–
Impairment losses		(61)	(42)	–	–
		787	560	22	–
Financial assets at amortised cost		4,352	7,728	9,368	11,543
Prepayments		161	177	24	28
		4,513	7,905	9,392	11,571
Representing:					
Non-current		12	245	–	–
Current		4,501	7,660	9,392	11,571
		4,513	7,905	9,392	11,571

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Year ended 31 December 2020

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2020, non-current and current trade and other receivables of the Group include retention sums of $12,000 and $605,000 (2019: $245,000 and $530,000) respectively.

The interest-bearing amounts due from subsidiaries are unsecured, bear interest range between 2.00% to 4.96% (2019: 2.00% to 4.96%) and are repayable on demand. The non-interest bearing and non-trade amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

The Group and the Company's exposure to credit risk, currency risk, interest rate risk and impairment loss related to trade and other receivables, are disclosed in Note 28.

10. INVENTORIES

	Group	
	2020	**2019**
	$'000	**$'000**
Trading inventories	2,052	2,285
Precious metal measured at fair value	1,109	16
Raw materials and consumables	42	88
	3,203	2,389

During the year, inventories of $16,237,000 (2019: $17,468,000) were recognised as an expense and included in cost of sales. In addition, following a review of the net realisable value of inventories, the Group recorded a reversal of allowance for write-down of inventories of $52,000 (2019: $111,000). The reversals are included in the cost of sales.

11. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	**2020**	**2019**	**2020**	**2019**
		$'000	**$'000**	**$'000**	**$'000**
Cash and bank balances		15,771	3,508	9,318	79
Deposits with financial institutions		1,480	1,507	–	–
Cash and cash equivalents in the statement of financial position		17,251	5,015	9,318	79
Bank overdrafts	17	–	–*	–	–
Deposits pledged	17	(1,480)	(1,507)	–	–
Cash and cash equivalents in the consolidated statement of cash flows		15,771	3,508	9,318	79

* Denotes amount <$1,000

The effective interest rates relating to deposits with financial institutions at 31 December 2020 for the Group range between 0.24% to 0.50% (2019: 0.90% to 1.90%). Interest rates were repriced within 1 year, upon maturity of the fixed deposits.

Deposits pledged comprised deposits of certain subsidiaries pledged as securities to secure bank loans and borrowing (see Note 17).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

12. ASSETS HELD FOR SALE

In 2020, management committed to a plan to sell four strata units of an investment property held by subsidiaries of the Group. Accordingly the four strata units were classified as assets held for sale and disclosed separately in the consolidated statement of financial position as at 31 December 2020. The sale is expected to be completed within the next 12 months. Immediately before classification as held for sale, the strata units were remeasured and fair value gain of $257,000 was recognised in profit or loss. Thereafter, the strata units are measured at fair value less cost to sell of $7,273,000 as at 31 December 2020. The fair value measurement of the strata unit is disclosed in Note 29.

In 2019, management committed to a plan to sell two strata units of an investment property held by subsidiaries of the Group. Accordingly the two strata units were classified as current assets held for sale and disclosed separately in the consolidated statement of financial position as at 31 December 2019. The sale was completed in 2020. Immediately before classification as held for sale, the strata units were remeasured and fair value gain of $255,000 was recognised in profit or loss. Thereafter, the strata units are measured at fair value less cost to sell of $3,442,000 as at 31 December 2019. The fair value measurement of the strata unit is disclosed in Note 29.

13. SHARE CAPITAL

	Group and Company	
	Number of shares 2020 '000	Number of shares 2019 '000
Fully paid ordinary shares, with no par value:		
At 1 January	1,033,746	1,033,746
Issuance of ordinary shares	206,749	–
At 31 December	1,240,495	1,033,746

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Issuance of ordinary shares

On 23 December 2020, the Company issued 206,749,200 ordinary shares at an exercise price of $0.042 per share for the purpose of repayment of loans, expansions of existing core business, potential business investments, and working capital for the Group.

Capital management

The Group's capital management objective is focused on ensuring its ability to continue as a going concern in order to provide an adequate return to shareholders and economic benefits for stakeholders. The capital managed is defined as the shareholders' equity of the Group and the Company.

The Board of Directors monitors its operating results and net assets. The Group manages its capital structure and makes adjustments to it in consideration of many factors including (a) the changes in economic conditions, (b) the availability of comparatively advantageous financing strategies, (c) the cost of financing and (d) the impact of changes in the Group's liquidity and funding needs pertaining to the Group's business activities.

In order to adjust or maintain the capital structure, the Group may consider issuing debt of either on fixed or floating nature, arrange or restructure committed debt facilities, issue new shares or adjust dividend payments. There were no changes in the Group's approach to capital management during the year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

13. SHARE CAPITAL (CONTINUED)

Share Award Scheme

The Enviro-Hub Share Award Scheme (the Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 22 November 2012.

Share Award I

Pursuant to the Scheme, a grant of Award was made to Mr Ng Ah Hua, a Controlling Shareholder and Director of the Company, on 21 December 2012. Details of the grant are as follows:

Number of shares granted	13,614,862 ordinary shares
Vesting period	The Awards granted to Mr Ng Ah Hua will be released, in whole or in part(s), from time to time during the period when the Scheme is in force at the discretion of the Scheme Committee, if certain pre-determined performance conditions, as determined by the Scheme Committee, are achieved, or otherwise in accordance with the rules of the Scheme.
Number of shares to be vested for each year if Performance Conditions are met	2,722,972 ordinary shares

Awards comprising 5,445,944 ordinary shares were entitled to Mr Ng Ah Hua under the scheme for the financial years ended 31 December 2013 and 2014 were allotted during the financial year ended 31 December 2018.

Share Award II

Awards comprising 2,200,000 ordinary shares were entitled to the Company's Non-Executive Directors under the Scheme for the financial year ended 31 December 2015, of which 1,650,000 ordinary shares were allotted to 3 Non-Executive Directors on 11 April 2018. In addition, the remaining 550,000 ordinary shares award was cancelled as a result of resignation of a director in 2016.

NOTES TO THE FINANCIAL STATEMENTS

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14. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of entities (including foreign operations) whose functional currencies are different from the presentation currency of the consolidated financial statements.

15. OTHER RESERVE

Other reserve comprises adjustments to equity attributable to the Company's shareholders arising from transactions with non-controlling interests without a change in control.

16. NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests ('NCI') that are material to the Group:

Name	Principal places of business/Country of incorporation	Operating segment	Ownership interests held by NCI 2020 %	2019 %
EH Property & Investments Pte Ltd	Singapore	Property investments and management	49	49
Enviro-Power Pte Ltd	Singapore	Plastics to fuel refining	61	61
HLS Environmental Pte Ltd	Singapore	Trading, recycling and refining of e-waste/metals	19.75	19.75

The following summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

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Year ended 31 December 2020

16. NON-CONTROLLING INTERESTS (CONTINUED)

	EH Property & Investments Pte Ltd $'000	Enviro-Power Pte Ltd $'000	HLS Environmental Pte Ltd $'000	Intra-group eliminations $'000	Total $'000
31 December 2020					
Revenue	2,859	–	4,369		
Profit/(loss)	872	223	396		
Other comprehensive income (OCI)	–	–	–		
Total comprehensive income	872	223	396		
Attributable to NCI:					
– Profit	427	136	78	(256)	385
– OCI	–	–	–	–	–
– Total comprehensive income	427	136	78	(256)	385
Non-current assets	116,503	–	13,064		
Current assets	10,394	73	11,194		
Non-current liabilities	(79,888)	(2,550)	(11,954)		
Current liabilities	(25,725)	(155)	(2,976)		
Net assets/(liabilities)	21,284	(2,632)	9,328		
Net assets/(liabilities) attributable to NCI	10,429	(1,606)	1,842	(14,552)	(3,887)
Cash flows from/(used in) operating activities	2,241	(58)	1,620		
Cash flows from/(used in) investing activities	12,924	8	(111)		
Cash flows (used in)/from financing activities	(13,495)	43	359		
Net increase/(decrease) in cash and cash equivalents	1,670	(7)	1,868		
31 December 2019					
Revenue	2,707	–	3,548		
Profit/(loss)	2,010	(258)	392		
Other comprehensive income (OCI)	–	–	–		
Total comprehensive income	2,010	(258)	392		
Attributable to NCI:					
– Profit	985	(157)	77	(361)	544
– OCI	–	–	–	–	–
– Total comprehensive income	985	(157)	77	(361)	544
Non-current assets	131,300	–	13,546		
Current assets	4,906	389	9,128		
Non-current liabilities	(93,285)	(2,550)	(10,063)		
Current liabilities	(22,509)	(311)	(3,678)		
Net assets/(liabilities)	20,412	(2,472)	8,933		
Net assets/(liabilities) attributable to NCI	10,002	(1,508)	1,764	(14,270)	(4,012)
Cash flows from/(used in) operating activities	288	(208)	1,086		
Cash flows from/(used in) investing activities	6,003	–	(2,772)		
Cash flows (used in)/from financing activities	(7,223)	216	1,173		
Net (decrease)/increase in cash and cash equivalents	(932)	8	(513)		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

17. LOANS AND BORROWINGS

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current liabilities					
Secured bank loans		82,902	93,494	–	–
Lease liabilities		5,850	5,813	4	17
		88,752	99,307	4	17
Current liabilities					
Secured bank overdrafts	11	–	–*	–	–
Secured bank loans		7,774	5,382	–	–
Secured invoice financing		1,204	718	–	–
Lease liabilities		593	596	12	12
		9,571	6,696	12	12
Total loans and borrowings		98,323	106,003	16	29

* Denotes amount <$1,000

Terms and debt repayment schedule

Terms and conditions of all outstanding loans and borrowings are as follows:

	Nominal interest rate	Note	Year of maturity	2020 Face value $'000	2020 Carrying amount $'000	2019 Face value $'000	2019 Carrying amount $'000
Group							
S$ floating rate loans VI	EBR# – 2.70%	(b)(c)(f)(g)	2022	70,996	70,996	81,327	81,327
S$ floating rate loan VII	EBR# – 2.50% – 2.85%	(a)(f)(g)	2026	4,068	4,068	4,341	4,341
S$ floating rate loan VIII	EBR# – 2.00% – 2.35%	(a)(f)(g)	2026	4,860	4,860	4,865	4,865
S$ floating rate loan IX	COF^ + 2.00%	(d)(f)(g)	2024	466	466	500	500
S$ floating rate loan X	EBR# – 2.80% – 2.90%	(a)(e)	2035	7,714	7,714	7,843	7,843
S$ fixed rate loan I	2%	(f)(g)(c)	2024 – 2025	2,300	2,300	–	–
S$ fixed rate loan II	3.25%	(a)(e)	2025	272	272	–	–
S$ lease liabilities	1.50% – 3.40%	(g)(h)(i)	2021 – 2025	652	592	215	201
S$ lease liabilities	3.34% – 4.52%		2021 – 2041	7,735	5,851	8,300	6,208
S$ invoice financing	3.81%	(f)(g)	2020	–	–	17	17
US$ invoice financing	2.42% – 4.33%	(f)(g)	2020 – 2021	1,206	1,204	707	701
S$ bank overdraft	PR@ – 0.50%	(c)(f)(g)	2020	–	–	–*	–*
				100,269	98,323	108,115	106,003
Company							
S$ lease liabilities	4.47%		2022	18	16	31	29

^ The respective bank's cost of funds.
# The respective bank's enterprise base rate.
@ The respective bank's prime rate.
* Denotes amount <$1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

17. LOANS AND BORROWINGS (CONTINUED)

The loans and borrowings' securities are as follows:

(a) First legal mortgages over leasehold properties with carrying amount of $17,360,000 (2019: $18,364,000);

(b) First legal mortgages over investment properties, including four strata units classified as assets held for sale (see Note 12) with carrying amounts of $123,776,000 (2019: including two strata unit classified as asset held for sale with carrying amounts of $134,742,000);

(c) Fixed deposits amounting to $1,480,000 (2019: $1,507,000);

(d) Fixed charges on certain plant and machineries with carrying amount of $624,000 (2019: $745,000);

(e) Guarantees by a subsidiary of the Company;

(f) Guarantees by the Executive Chairman of the Company;

(g) Guarantees by the Company (see Note 31);

(h) Guarantees by the Director of a subsidiary of the Company; and

(i) Property, plant and equipment with carrying amount of $1,318,000 (2019: $618,000) (see Note 4).

The Group's and Company's exposure to interest rate risk, foreign currency risk and liquidity risk are disclosed in Note 28.

18. TRADE AND OTHER PAYABLES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Deferred income	(i)	119	49	35	–
Trade payables		2,807	5,070	–	28
Project costs accruals		9	17	–	–
Other accruals		1,676	1,981	464	710
Other payables		1,084	891	97	83
Security deposits		2,680	2,153	–	–
Loan due to a shareholder	(ii)	1,800	3,000	1,800	3,000
Amounts due to non-controlling interests:					
– non-interest bearing loan	(iii)	14,711	14,711	–	–
– non-trade	(iv)	2,550	2,550	–	–
Amounts due to subsidiaries:					
– interest bearing loan	(v)	–	–	18,320	17,754
– non-trade	(vi)	–	–	3,569	3,090
		27,436	30,422	24,285	24,665
Representing:					
Non-current		17,261	20,261	22	3,036
Current		10,175	10,161	24,263	21,629
		27,436	30,422	24,285	24,665

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

18. TRADE AND OTHER PAYABLES (CONTINUED)

(i) The deferred income relates to the deferred government grant receivables.

(ii) The loan due to a shareholder is unsecured, bear interest at 4.96% (2019: 4.96%) and repayable on November 2021.

(iii) 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 after June 2021.

(iv) 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 2021.

(v) The amounts are unsecured, bear interest range between 2.00% to 3.85% (2019: 2.00% to 3.85%) and are repayable on demand.

(vi) The amounts are unsecured, interest-free and are repayable on demand.

The Group and the Company's exposure to currency risk, liquidity risk and interest rate risk related to trade and other payables are disclosed in Note 28.

19. REVENUE

	2020 $'000	2019 $'000
Sales of goods	20,108	21,010
Revenue from refinery service income	497	544
Revenue from piling contracts	6,818	9,245
Rental income from investment properties	2,858	2,707
Revenue from rental of machinery and equipment	40	241
Rental income	449	449
	30,770	34,196

Contract balances

The following table provides information about receivables and contract assets from contracts with customers.

	2020 $'000	2019 $'000
Receivables, which are included in 'Trade and other receivables'	1,492	3,633
Contract assets	1,589	3,117

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction contracts. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Significant changes in the contract assets balances during the year are as follows:

	2020 $'000	2019 $'000
Contract assets reclassified to trade receivables	(8,139)	(8,311)
Changes in measurement of progress	6,818	9,245
Impairment loss on contract assets	(207)	(157)

NOTES TO THE FINANCIAL STATEMENTS

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19. REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 27).

	Trading, recycling and refining of e-waste/metals		Piling contracts, construction, rental and servicing of machinery		Total	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Primary geographical markets:						
Singapore	5,237	4,791	6,858	9,486	12,095	14,277
Hong Kong and China	10,856	13,471	–	–	10,856	13,471
Malaysia	3,753	1,739	–	–	3,753	1,739
Afghanistan	90	525	–	–	90	525
Europe	163	343	–	–	163	343
Other countries	506	685	–	–	506	685
	20,605	21,554	6,858	9,486	27,463	31,040
Major products/service line						
Sale of goods	20,108	21,010	–	–	20,108	21,010
Revenue from refinery service income	497	544	–	–	497	544
Revenue from piling contracts	–	–	6,818	9,245	6,818	9,245
Revenue from rental of machinery and equipment	–	–	40	241	40	241
	20,605	21,554	6,858	9,486	27,463	31,040
Timing of revenue recognition						
Products transferred at a point in time	20,605	21,554	–	–	20,605	21,554
Products and services transferred over time	–	–	6,858	9,486	6,858	9,486
	20,605	21,554	6,858	9,486	27,463	31,040

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

20. OTHER INCOME

	2020 $'000	2019 $'000
Fair value gain on investment properties	1,949	3,600
Foreign exchange gain/(loss)	294	(166)
Gain on disposal of property, plant and equipment	58	9
Government grants	888	33
Rental income on subleased properties	93	148
Fair value gain on precious metal	206	–*
Others	645	575
	4,133	4,199

* Denotes amount <$1,000

Government grants of $560,000 related to co-funding of salaries and wages are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

21. OTHER OPERATING EXPENSES

	2020 $'000	2019 $'000
Allowance for impairment loss on property, plant and equipment	–	12
Bad debts written off	32	–
Pre-operating expenses of plastic to fuel project	–	46
Property, plant and equipment written off	–	294
	32	352

22. FINANCE INCOME AND FINANCE COSTS

	2020 $'000	2019 $'000
Finance income:		
– Cash and cash equivalents	25	13
Finance costs:		
– Bank overdrafts	(2)	(4)
– Bank loans	(3,015)	(2,950)
– Lease liabilities	(244)	(192)
– Trust receipts	(29)	(18)
– Loan from a shareholder	(138)	(98)
Others	–	(24)
	(3,428)	(3,286)
Net finance costs recognised in profit or loss	(3,403)	(3,273)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

23. (LOSS)/PROFIT BEFORE TAXATION

The following items have been included in arriving at (loss)/profit before taxation for the year:

	2020 $'000	2019 $'000
Contributions to defined contribution plans included in staff costs	334	344
Depreciation of property, plant and equipment	3,062	2,738
Audit fees paid/payable to auditors of the Company	238	238
Non-audit fees paid to auditors of the Company	19	38
Changes in inventories of finished goods and work in progress	16,237	17,468
Inventories written back	(52)	(111)
Provision for onerous contract	37	–
Fair value gain on precious metal	(206)	–*
Staff costs	5,044	5,345

* Denotes amount <$1,000

24. INCOME TAX (CREDIT)/EXPENSE

	Group	
	2020 $'000	2019 $'000
Current tax (credit)/expense		
– Current year	10	30
– (Over)/Under provided in prior years	(24)	15
	(14)	45
Reconciliation of effective tax rate		
(Loss)/Profit before tax from continuing operations	(619)	887
Tax calculated using Singapore tax rate of 17% (2019: 17%)	(105)	151
Income not subject to tax	(678)	(668)
Expenses not deductible for tax purposes	614	532
Utilisation of prior year's unrecognised capital allowance brought forward	(98)	(113)
Utilisation of prior year's unrecognised tax losses brought forward	(51)	(76)
Deferred tax assets not recognised	340	221
Tax incentives	(12)	(17)
(Over)/Under provided in prior years	(24)	15
	(14)	45

The following temporary differences have not been recognised:

	Group	
	2020 $'000	2019 $'000
Deductible temporary differences	(7,105)	(6,723)
Unutilised tax losses	(60,620)	(59,947)
Unutilised capital allowances	(917)	(846)
	(68,642)	(67,516)

The utilisation of tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The deductible temporary differences, unutilised tax losses and capital allowance do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items due to the uncertainty of the availability of future taxable profit against which the Group can utilise the benefits.

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25. EARNINGS PER SHARE

Profit attributable to ordinary shareholders

The calculation of basic and diluted earnings per share at 31 December 2020 was based on loss attributable to ordinary shareholders of $990,000 (2019: profit attributable to ordinary shareholders of $298,000), and a weighted-average number of ordinary shares outstanding of 1,038,830,000 (2019: 1,033,746,000), calculated as follows:

	2020 $'000	2019 $'000
(Loss)/profit attributable to ordinary shareholders	(990)	298

	Group	
	2020 '000	2019 '000
Weighted-average number of ordinary shares		
Weighted-average number of ordinary shares during the year	1,038,830	1,033,746

In 2020 and 2019, diluted earnings per share approximate the basic earnings per share as the unallocated ordinary shares arising from the Enviro-Hub Share Award Scheme (see Note 13) is immaterial.

26. RELATED PARTIES

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors and members of the management team are considered as key management personnel of the Group.

The Group's key management personnel are entitled to basic remuneration plan such as salaries, bonuses and fees. In addition, the Controlling Shareholder and a Director of the Company is entitled to profit-sharing and share-based payments plan. The quantum of profit sharing is based on certain percentage of the Group's profit as stipulated in the profit-sharing plan and details of the share-based payments plan are disclosed in Note 13 – Share Award Scheme.

Key management personnel compensation comprises remuneration of directors and other key management personnel as follows:

	Group	
	2020 $'000	2019 $'000
Short-term employee benefits	1,440	1,453
Post-employment benefits (including contribution to Central Provident Fund)	68	72
Directors' fees paid/payable to directors of the Group	136	136

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

26. RELATED PARTIES (CONTINUED)

Key management personnel compensation (Continued)

Other transactions with key management personnel

	Note	Group 2020 $'000	Group 2019 $'000
Loan from a non-controlling interest	(i)	–	1,083

(i) Details of the loans are disclosed in Note 18.

The transactions with the Group's related parties were carried out based on terms and conditions agreed between the parties.

Other related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Other than as disclosed elsewhere in the financial statements, the transactions carried out in the normal course of business on terms agreed with related parties are as follows:

	Company 2020 $'000	Company 2019 $'000
Management fee from subsidiaries	1,948	1,948
Interest income from subsidiaries	200	180
Interest expense paid to subsidiaries	(430)	(437)

27. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Executive Chairman reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(a) Property investments and management
Investment in properties for rental income and capital appreciation.

(b) Trading, recycling and refining of e-waste/metals
Trading, recycling and refining of electronic waste (e-waste) and metals, comprising the recycling, extraction and refining of PGM and copper.

(c) Piling contracts, construction, rental and servicing of machinery
Relates to provision of piling, building and construction related engineering and technical services as well as rental and servicing of machinery.

(d) Others
Includes plastics to fuel refining which involve in conversion of waste plastic to usable liquid hydrocarbon fuel oil. This segment has yet to commence operation.

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Year ended 31 December 2020

27. OPERATING SEGMENTS (CONTINUED)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax and finance costs, as included in the internal management reports that are reviewed by the Group's Executive Chairman. Segment profit before tax and finance costs is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Trading, recycling and refining of e-waste/ metals $'000	Property investments and management $'000	Piling contracts, construction, rental and servicing of machinery $'000	Others $'000	Total $'000
31 December 2020					
External revenue	21,054	2,858	6,858	–	30,770
Depreciation of property, plant and equipment	(1,857)	–	(1,164)	–	(3,021)
Reportable segment profit/(loss) before tax and finance costs	1,576	3,618	(52)	223	5,365
Other material non-cash items:					
– Allowance for impairment loss on trade and other receivables	(45)	–	(59)	(59)	(163)
– Reversal of allowance for write-down of inventories	52	–	–	–	52
– Fair value gain on investment properties, net	–	1,949	–	–	1,949
– Fair value gain on precious metal	206	–	–	–	206
– Finance income	13	10	2	–	25
– Finance costs	(802)	(2,456)	(25)	–	(3,283)
– Gain on disposal of property, plant and equipment	4	–	46	8	58
– Provision for onerous contract	–	–	(37)	–	(37)
Reportable segment assets	30,056	123,846	6,410	50	160,362
Capital expenditure	446	–	921	–	1,367
Reportable segment liabilities	30,131	88,307	2,296	2,624	123,358

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Year ended 31 December 2020

27. OPERATING SEGMENTS (CONTINUED)

	Trading, recycling and refining of e-waste/ metals $'000	Property investments and management $'000	Piling contracts, construction, rental and servicing of machinery $'000	Others $'000	Total $'000
31 December 2019					
External revenue	22,003	2,707	9,486	–	34,196
Depreciation of property, plant and equipment	(1,448)	–	(1,248)	–	(2,696)
Reportable segment profit/(loss) before tax and finance costs	1,892	4,747	320	(258)	6,701
Other material non-cash items:					
– Reversal of/(allowance for) impairment loss on trade and other receivables	41	–	(77)	–	(36)
– Reversal of allowance for write-down of inventories	111	–	–	–	111
– Fair value gain on investment properties, net	–	3,600	–	–	3,600
– Finance income	11	1	1	–	13
– Finance costs	(715)	(2,446)	(26)	–	(3,187)
– Gain/(loss) on disposal of property, plant and equipment	10	–	(1)	–	9
– Property, plant and equipment written off	(289)	–	–	–	(289)
Reportable segment assets	30,691	134,825	9,966	361	175,843
Capital expenditure	11,532	–	24	–	11,556
Reportable segment liabilities	27,995	97,588	4,197	2,825	132,605

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27. OPERATING SEGMENTS (CONTINUED)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2020 $'000	2019 $'000
Revenue		
Total revenue for reportable segments	30,770	34,196
Profit or loss		
Total profit for reportable segments before tax and finance costs	5,365	6,701
Unallocated amounts:		
– Other corporate expenses	(5,984)	(5,814)
Consolidated (loss)/profit before tax from continuing operations	(619)	887
Assets		
Total assets for reportable segments	160,362	175,843
Other unallocated amounts*	17,403	5,169
Consolidated total assets	177,765	181,012
Liabilities		
Total liabilities for reportable segments	123,358	132,605
Other unallocated amounts	2,413	3,850
Consolidated total liabilities	125,771	136,455

* Unallocated assets are mainly related to cash and cash equivalents and a portion of the plant and equipment, other receivables which are utilised by more than one segment of the Group.

Other material items

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
31 December 2020			
Allowance for impairment loss on trade and other receivables	(163)	–	(163)
Capital expenditure	1,367	21[a]	1,388
Depreciation of property, plant and equipment	(3,021)	(41)[a]	(3,062)
Fair value gain on investment properties	1,949	–	1,949
Fair value gain on precious metal	206	–	206
Finance costs	(3,283)	(145)[a]	(3,428)
Finance income	25	–	25
Gain on disposal of property, plant and equipment	58	–	58
Provision for onerous contract	(37)	–	(37)
Reversal of allowance for write-down of inventories	52	–	52

a Other unallocated amounts.

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Year ended 31 December 2020

27. OPERATING SEGMENTS (CONTINUED)

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
31 December 2019			
Allowance for impairment loss on trade and other receivables	(36)	–	(36)
Capital expenditure	11,556	24[a]	11,580
Depreciation of property, plant and equipment	(2,696)	(42)[a]	(2,738)
Fair value gain on investment properties	3,600	–	3,600
Finance costs	(3,187)	(99)[a]	(3,286)
Finance income	13	–	13
Gain on disposal of property, plant and equipment	9	–	9
Property, plant and equipment written off	(289)	(5)[a]	(294)
Reversal of allowance for write-down of inventories	111	–	111

a Other unallocated amounts.

Geographical segments

The Group's four business segments operate in four main geographical areas: Singapore, Hong Kong and China, Malaysia and Europe. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment non-current assets are based on the geographical location of the assets.

	Revenue $'000	Non-current assets[1] $'000
31 December 2020		
Singapore	15,403	145,337
Hong Kong and China	10,856	–
Malaysia	3,753	–
Europe	163	–
Other countries	595	–
	30,770	145,337
31 December 2019		
Singapore	17,433	162,506
Hong Kong and China	13,471	–
Malaysia	1,739	–
Europe	343	–
Other countries	1,210	–
	34,196	162,506

1 Non-current assets consist of property, plant and equipment, trade and other receivables and investment properties.

Major customer

Revenue from a customer of the Group's trading, recycling and refining of e-waste/metals segment represents approximately 22% (2019: 25%) of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

28. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. The Group Audit Committee oversees management's monitoring of compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's operations and risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets in the statements of financial position represent the Group and Company's respective maximum exposure to credit risk, before taking into account any collateral held.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The credit quality of customers is assessed after taking into account its financial position and the Group's past experience with the customers.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

The allowance account in respect of trade and other receivables is used to record impairment loss unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

28. FINANCIAL INSTRUMENTS (CONTINUED)

Exposure to credit risk

The maximum exposure to credit risk for financial assets at amortised cost (including contract assets) at the reporting date (by type of customer) was as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Contractors	2,514	5,355	–	–
Developer	–	213	–	–
Traders	547	967	–	–
Tenants	19	5	–	–
Others	1,272	1,188	9,368	11,543
	4,352	7,728	9,368	11,543

The Group's most significant customer, a trader, accounts for $289,000 (2019: $698,000) of the Group's financial assets at amortised cost carrying amount as at 31 December 2020. Amounts due from subsidiaries account for 100% (2019: 100%) of the Company's financial assets at amortised cost as at 31 December 2020.

A summary of the Group's exposures to credit risk for financial assets at amortised cost (including contract assets) is as follows:

	2020		2019	
	Not credit-impaired $'000	**Credit-impaired $'000**	**Not credit-impaired $'000**	**Credit-impaired $'000**
Group				
Other customers:				
– Four or more years' trading history with the Group*	258	147	1,560	165
– Less than four years' trading history with the Group*	4,136	–	6,068	–
Higher risk	50	73	29	367
Total gross carrying amount	4,444	220	7,657	532
Loss allowance	(104)	(208)	–	(461)
	4,340	12	7,657	71

	2020		2019	
	Not credit-impaired $'000	**Credit-impaired $'000**	**Not credit-impaired $'000**	**Credit-impaired $'000**
Company				
Other customers:				
– Four or more years' trading history with the Group*	8,446	362	10,964	498
– Less than four years' trading history with the Group*	922	–	579	–
Higher risk	–	–	–	19
Total gross carrying amount	9,368	362	11,543	517
Loss allowance	–	(362)	–	(517)
	9,368	–	11,543	–

* Excluding higher risk

NOTES TO THE FINANCIAL STATEMENTS

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28. FINANCIAL INSTRUMENTS (CONTINUED)

As at reporting date, the Company held non-trade receivables from its subsidiaries of $7,033,000 (2019: $8,339,000). These balances are amount provided to subsidiaries to satisfy their short term operating requirements. The Company has assessed that the credit risk of these unimpaired balances are minimal and amount of allowance on these balances is insignificant.

Expected credit loss assessment ('ECL') for corporate customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from customers.

The allowance matrix is based on actual credit loss experience over the past three years. The ECL computed is purely derived from historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date. The following table provides information about the exposure to credit risk and ECLs for trade and other receivables (including contract assets) as at 31 December 2020:

	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
Group				
31 December 2020				
Not past due	3.76	3,657	(207)	Yes
Past due 0 – 30 days	–	694	–	No
Past due 31 – 120 days	–	97	–	No
Past due 121 – 365 days	2.33	93	(26)	Yes
More than one year	16.23	123	(79)	Yes
		4,664	(312)	
31 December 2019				
Not past due	1.15	5,142	(165)	Yes
Past due 0 – 30 days	–	1,838	–	No
Past due 31 – 120 days	–	543	–	No
Past due 121 – 365 days	–	270	–	No
More than one year	47.99	396	(296)	Yes
		8,189	(461)	

	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
Company				
31 December 2020				
Not past due	5.68	6,375	(362)	Yes
Past due 0 – 30 days	–	115	–	No
Past due 31 – 120 days	–	102	–	No
Past due 121 – 365 days	–	379	–	No
More than one year	–	2,759	–	No
		9,730	(362)	
31 December 2019				
Not past due	6.05	7,928	(498)	Yes
Past due 0 – 30 days	–	116	–	No
Past due 31 – 120 days	–	186	–	No
Past due 121 – 365 days	–	413	–	No
More than one year	0.02	3,417	(19)	Yes
		12,060	(517)	

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Year ended 31 December 2020

28. FINANCIAL INSTRUMENTS (CONTINUED)

The movements in the allowance for impairment in respect of trade and other receivables (including contract assets) during the year were as follows:

	Group		Company	
	2020 **$'000**	**2019** **$'000**	**2020** **$'000**	**2019** **$'000**
At 1 January	461	414	517	581
Allowance for/(reversal of) impairment loss	163	36	44	(64)
Amount written off	(314)	–	(199)	–
Translation difference	2	11	–	–
At 31 December	312	461	362	517

The Group and the Company believes that the unimpaired amounts are still collectible in full, based on historic payment behaviour and extensive analyses of customer credit risk, including underlying customers' credit ratings, when available.

Cash and cash equivalents

The Group held cash and cash equivalents of $17,251,000 at 31 December 2020 (2019: $5,015,000). The cash and cash equivalents are held with bank and financial institution counterparties which are rated P-1 to P-2, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company uses a similar approach for assessment of ECLs for cash and cash equivalents. The amount of the allowance on cash and cash equivalents is negligible.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk on an on-going basis and maintains a level of cash and cash equivalents supplemented by various short term bank facilities deemed adequate by management to fund the Group's operations and to mitigate the effects of fluctuations in cash flows.

As at 31 December 2020, the Group is in net current asset position of $12,470,000 (2019: $1,619,000). As at reporting date, the Group expects to be able to meet its financial obligations for the next 12 months with cash flows generated from operating activities.

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Year ended 31 December 2020

28. FINANCIAL INSTRUMENTS (CONTINUED)

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
31 December 2020					
Non-derivative financial liabilities					
Secured bank loans	90,676	(97,302)	(4,761)	(86,579)	(5,962)
Lease liabilities	6,443	(8,387)	(816)	(2,245)	(5,326)
Bank overdrafts	–	–	–	–	–
Invoice financing	1,204	(1,206)	(1,206)	–	–
Trade and other payables^	27,317	(27,317)	(10,056)	(17,261)	–
	125,640	(134,212)	(16,839)	(106,085)	(11,288)
31 December 2019					
Non-derivative financial liabilities					
Secured bank loans	98,876	(108,766)	(8,025)	(94,281)	(6,460)
Lease liabilities	6,409	(8,515)	(813)	(1,929)	(5,773)
Bank overdrafts	–*	–*	–*	–	–
Invoice financing	718	(724)	(724)	–	–
Trade and other payables^	30,373	(30,373)	(10,112)	(20,261)	–
	136,376	(148,378)	(19,674)	(116,471)	(12,233)

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Company					
31 December 2020					
Non-derivative financial liabilities					
Lease liabilities	16	(18)	(13)	(5)	–
Trade and other payables^	24,250	(24,250)	(24,250)	–	–
Intra-group financial guarantees	–	(52,494)	(4,276)	(48,218)	–
	24,266	(76,762)	(28,539)	(48,223)	–
31 December 2019					
Non-derivative financial liabilities					
Lease liabilities	29	(31)	(13)	(18)	–
Trade and other payables	24,665	(24,665)	(21,629)	(3,036)	–
Intra-group financial guarantees	–	(56,628)	(5,552)	(50,741)	(335)
	24,694	(81,324)	(27,194)	(53,795)	(335)

* Denotes amount <$1,000
^ Excludes deferred income

The maturity analysis show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. Except for the cash flow arising from the intra-group financial guarantee, it is not expected that the cash flows included in the above analysis based on contractual maturity could occur significantly earlier or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

28. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and price risk will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group Nominal amount		Company Nominal amount	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	12,909	4,393	11,799	7,500
Financial liabilities	(9,015)	(6,409)	(14,215)	(13,827)
	3,894	(2,016)	(2,416)	(6,327)
Variable rate instruments				
Financial liabilities	(91,108)	(102,594)	(5,921)	(3,956)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

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Year ended 31 December 2020

28. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (Continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

	Profit or loss	
	100 bp increase $'000	**100 bp decrease $'000**
Group		
2020		
Variable interest rate loans	(911)	911
2019		
Variable interest rate loans	(1,026)	1,026
Company		
2020		
Variable interest rate loans	(59)	59
2019		
Variable interest rate loans	(40)	40

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, expenses and borrowings, including inter-company sales, purchases and inter-company balances that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are Singapore dollar (SGD), United States dollar (USD) and Euro (EUR).

The Group's exposure to foreign currency risk is closely monitored by management on an on-going basis. The Company's exposure to foreign currency risk is not significant.

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28. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (Continued)

The Group's exposure to foreign currencies in Singapore dollar equivalent are as follows:

	SGD $'000	USD $'000	EUR $'000
Group			
31 December 2020			
Trade and other receivables	1,066	136	–
Cash and cash equivalents	1,123	2,807	–
Loans and borrowings	(2,845)	–	–
Trade and other payables	(640)	(340)	(403)
Net statement of financial position exposure	(1,296)	2,603	(403)
31 December 2019			
Trade and other receivables	1,014	–	273
Cash and cash equivalents	1,610	14	12
Loans and borrowings	(607)	–	–
Trade and other payables	(1,760)	(3)	(629)
Net statement of financial position exposure	257	11	(344)

Sensitivity analysis

A 10% strengthening of the Singapore dollar, as indicated below, against USD and EUR as at 31 December would have increased/(decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact of forecasted sales and purchases. The analysis is performed on the same basis for 2019.

	Profit/(loss) before tax Group $'000
31 December 2020	
SGD	(130)
USD	260
EUR	(40)
31 December 2019	
SGD	26
USD	1
EUR	(34)

A 10% weakening of Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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28. FINANCIAL INSTRUMENTS (CONTINUED)

Price risk

Price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The markets used are the London Metal Exchange ('LME') for gold, silver, platinum and palladium.

Exposure to price risk

The summary of quantitative data about the Group's exposure to price risk as reported to the management is as follows:

	Precious metal measured at fair value Group $'000
31 December 2020	
Gold	837
Silver	139
Platinum	130
Palladium	3
31 December 2019	
Palladium	16

A 10% strengthening of metal price at reporting date would have increased/(decreased) profit or loss by amount shown below. The analysis assumes that all other variables remain constant.

	Profit/(loss) before tax Group $'000
31 December 2020	
Gold	84
Silver	14
Platinum	13
Palladium	–*
31 December 2019	
Palladium	2

* Denotes amount <$1,000

A 10% weakening of the precious metal price would had the equal but opposite effect on the above price to the amount shown above, on the basis that all other variable remain constant.

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28. FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value			
	Note	Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group								
31 December 2020								
Financial assets not measured at fair value								
Cash and cash equivalents	11	17,251	–	17,251				
Trade and other receivables*	9	4,352	–	4,352				
		21,603	–	21,603				
Financial liabilities not measured at fair value								
Loans and borrowings	17	–	(98,323)	(98,323)	–	(100,269)	–	(100,269)
Trade and other payables^	18	–	(27,317)	(27,317)				
		–	(125,640)	(125,640)				
31 December 2019								
Financial assets not measured at fair value								
Cash and cash equivalents	11	5,015	–	5,015				
Trade and other receivables*	9	7,728	–	7,728				
		12,743	–	12,743				
Financial liabilities not measured at fair value								
Loans and borrowings	17	–	(106,003)	(106,003)	–	(108,115)	–	(108,115)
Trade and other payables^	18	–	(30,373)	(30,373)				
		–	(136,376)	(136,376)				

* Excludes prepayments.
^ Excludes deferred income.

28. FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

		Carrying amount			Fair value			
	Note	Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company								
31 December 2020								
Financial assets not measured at fair value								
Cash and cash equivalents	11	9,318	–	9,318				
Trade and other receivables*	9	9,368	–	9,368				
		18,686	–	18,686				
Financial liabilities not measured at fair value								
Loans and borrowings	17	–	(16)	(16)	–	(18)	–	(18)
Trade and other payables^	18	–	(24,250)	(24,250)				
		–	(24,266)	(24,266)				
31 December 2019								
Financial assets not measured at fair value								
Cash and cash equivalents	11	79	–	79				
Trade and other receivables*	9	11,543	–	11,543				
		11,622	–	11,622				
Financial liabilities not measured at fair value								
Loans and borrowings	17	–	(29)	(29)	–	(31)	–	(31)
Trade and other payables	18	–	(24,665)	(24,665)				
		–	(24,694)	(24,694)				

* Excludes prepayments.
^ Excludes deferred income.

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29. MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the respective methods mentioned below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment properties

External, independent valuation company, Teho Property Consultants Pte Ltd, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, valued the Group's investment properties at Lam Soon Industrial Building located at 63 Hillview Avenue, Singapore 669569.

The fair values were based on market values (i.e. market comparison approach), being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. Such valuation was based on price per square foot for the buildings derived from observable market data from an active and transparent market.

Precious metal measured at fair value

Precious metals are mark-to-market using market rates of the precious metals at balance sheet date. The market rates of the precious metal are based on rate on LME.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements. For bank loans, the market rate of interest is determined by reference to current market bank rates for loans of similar nature.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Fair value hierarchy

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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FINANCIAL STATEMENTS

Year ended 31 December 2020

29. MEASUREMENT OF FAIR VALUES (CONTINUED)

Fair value hierarchy (Continued)

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2020				
Investment properties and investment properties classified as assets held for sale	–	–	123,776	123,776
Precious metal measured at fair value	1,109	–	–	1,109
31 December 2019				
Investment properties and investment properties classified as assets held for sale	–	–	134,742	134,742
Precious metal measured at fair value	16	–	–	16

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair values measurements of investment properties, classified under recurring fair value measurement.

	Investment properties $'000
Group	
Balance at 1 January 2019	134,700
Gains/(losses) for the year:	
Disposal of 2 strata industrial units	(3,558)
Reclassified as assets held for sale	(3,442)
Changes in fair value – Other income – Unrealised	3,600
Balance at 31 December 2019	131,300
Gains/(losses) for the year:	
Disposal of 4 strata industrial units	(9,473)
Reclassified as assets held for sale	(7,273)
Changes in fair value – Other income – Unrealised	1,949
Balance at 31 December 2020	116,503

NOTES TO THE
FINANCIAL STATEMENTS

Year ended 31 December 2020

29. MEASUREMENT OF FAIR VALUES (CONTINUED)

Fair value hierarchy (Continued)

Significant unobservable inputs

Investment properties prices per square foot are derived from specialised publications and government database from the related markets and comparable transactions, adjusted for using certain unobservable inputs.

Significant unobservable inputs include premium (discount) on the quality of the building, lease terms, size discount and level discount for strata units. The estimated fair value would increase if:

- prices per square foot were higher;
- premium/(discount) for higher/(lower) quality building were higher/(lower);
- lease terms were longer;
- size discount for strata units were lower; and
- level discount for strata units were lower.

30. COMMITMENTS

As at 31 December 2020, the Group has committed to purchase machineries and renovation works for $736,000 (2019: $1,060,000).

31. CONTINGENT LIABILITIES

The Company issued financial guarantees to certain banks in respect of banking facilities granted to certain subsidiaries amounting to $77,976,000 (2019: $76,840,000), of which the amount drawn down at 31 December 2020 was $52,494,000 (2019: $56,628,000). The periods in which the financial guarantees will expire are as follows:

	2020 $'000	2019 $'000
Within 1 year	4,276	5,552
After 1 year but within 5 years	48,218	50,741
After 5 years	–	335
	52,494	56,628

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

32. LEASES

Leases as lessee (SFRS(I) 16)

The Group leases leasehold properties, plant and machinery, motor vehicles and office equipment. The leases run for a period of 1 to 21 years (2019: 2 to 22 years). Some leases provide for additional rent payments that are based on changes in local price indices.

Information about leases for which the Group is a lessee is presented below:

Right-of-use asset

	Leasehold land and buildings $'000	Plant and machineries $'000	Motor vehicle $'000	Office equipment $'000	Total $'000
Group					
2019					
Initial adoption of SFRS(I) 16 as at 1 January 2019	3,703	484	68	89	4,344
Depreciation charge for the year	(473)	(37)	(26)	(28)	(564)
Additions to right-of-use assets	2,916	–	129	20	3,065
Termination of lease	–	–	–	(8)	(8)
Balance at 31 December	6,146	447	171	73	6,837
2020					
At 1 January	6,146	447	171	73	6,837
Depreciation charge for the year	(540)	(67)	(29)	(27)	(663)
Additions to right-of-use assets	126	796	–	–	922
Balance at 31 December	5,732	1,176	142	46	7,096
Company					
2019					
Initial adoption of SFRS(I) 16 as at 1 January 2019	–	–	–	41	41
Depreciation charge for the year	–	–	–	(12)	(12)
Balance at 31 December	–	–	–	29	29
2020					
At 1 January 2019	–	–	–	29	29
Depreciation charge for the year	–	–	–	(12)	(12)
Balance at 31 December	–	–	–	17	17

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

32. LEASES (CONTINUED)

Amounts recognised in profit or loss

	2020 $'000	2019 $'000
Leases under SFRS(I) 16		
Interest on lease liabilities	244	192
Income from sub-leasing right-of-use assets presented in 'revenue' and 'other income'	(542)	(597)
Expenses relating to short-term leases	–	593

Amounts recognised in cashflow

	2020 $'000	2019 $'000
Total cash outflow for leases	(727)	(561)

Leases as lessor

The Group leases out its investment property and leasehold building consisting of its owned commercial properties as well as leased property. All leases are classified as operating leases from a lessor perspective.

Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from investment property and property sublease recognised by the Group during 2020 was $3,400,000 (2019: $3,304,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2020 $'000	2019 $'000
Operating leases under SFRS(I) 16		
Less than one year	3,171	2,954
One to two years	2,700	1,564
Two to three years	411	551
Total	6,282	5,069

33. SUBSEQUENT EVENT

On 12 January 2021, the Company entered into a subscription and loan agreement ('Agreement') with Pastel Glove Sdn. Bhd. ('PGSB') in relation to expand its investments in technology and solutions for healthcare products.

Pursuant to the Agreement, the Company subscribed ordinary shares equivalent to 25% of equity interest in PGSB for a subscription price of US$125,000 (equivalent to $165,000) and granted shareholder loan of US$4,875,000 (equivalent to $6,445,000) to PGSB. The acquisition was completed on 31 January 2021.

STATISTICS OF SHAREHOLDINGS

As at 23 March 2021

Issued and Fully Paid-Up Capital	:	S$104,618,746
Number of Share Issued	:	1,240,495,342
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per ordinary share

The Company has no treasury shares and *subsidiary holdings as at 23 March 2021.

* Subsidiary holdings – Defined in the SGX-ST Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Cap 50.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	88	4.79	2,106	0.00
100 – 1,000	88	4.79	61,942	0.01
1,001 – 10,000	471	25.65	2,889,915	0.23
10,001 – 1,000,000	1,125	61.28	136,978,945	11.04
1,000,001 AND ABOVE	64	3.49	1,100,562,434	88.72
Total	**1,836**	**100.00**	**1,240,495,342**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	NG AH HUA	414,393,264	33.41
2	SEOW BAO SHUEN	82,838,025	6.68
3	CITIBANK NOMINEES SINGAPORE PTE LTD	81,212,320	6.55
4	MAYBANK KIM ENG SECURITIES PTE. LTD.	64,514,196	5.20
5	CHEW GHIM BOK	61,605,433	4.97
6	SU MING TONG	51,841,076	4.18
7	UNG YOKE HOOI	35,960,000	2.90
8	HUANG YUZHU	35,500,000	2.86
9	PHILLIP SECURITIES PTE LTD	20,391,399	1.64
10	TAN TAI KIM	19,080,500	1.54
11	ONG MENG TEE	18,477,866	1.49
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	16,490,041	1.33
13	PANG KIM WEE	15,116,016	1.22
14	DBS NOMINEES (PRIVATE) LIMITED	14,741,692	1.19
15	UOB KAY HIAN PRIVATE LIMITED	11,462,332	0.92
16	NG CHUEN GUAN	10,137,549	0.82
17	LOW CHIN KWEE	9,529,800	0.77
18	CHUANG TZE MON (ZHUANG ZIMENG)	9,105,700	0.73
19	ONG HONG WOON (WANG FENGYUN)	8,317,500	0.67
20	ONG CHEE KANG	8,195,625	0.66
	TOTAL	**988,910,334**	**79.73**

STATISTICS OF SHAREHOLDINGS

As at 23 March 2021

SUBSTANTIAL SHAREHOLDERS AS AT 23 MARCH 2021

(As shown in the Company's Register of Substantial Shareholders)

Name	No. of shares registered in the name of the substantial shareholers	No. of shares held by the substantial shareholders in the name of nominees	No. of shares in which substantial shareholders are deemed to be interested	Total No. of Shares	% of Issued Shares
Ng Ah Hua	414,393,264	–	5,480,000*	419,873,264	33.85%
Seow Bao Shuen	82,838,025	65,000,000[1]	–	147,838,025	11.92%

Notes:
1 This represents Ms Seow Bao Shuen's direct interest of 65,000,000 shares held in the name of Citibank Nominees Singapore Pte Ltd.
* This represents his deemed interest held through spouse.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on the information provided to the Company as at 23 March 2021, approximately 53.68% of the total number of issued shares of the Company is held by the public. Accordingly, the Company has compiled with Rule 723 of the SGX-ST Listing Manual.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of the Enviro-Hub Holdings Ltd (the "Company") will be held by way of electronic means on Wednesday, 28 April 2021 at 10.30 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2020, Directors' Statement and Report of the Auditors thereon. **(Resolution 1)**

2. To approve Directors' fees of S$176,000 for the financial year ending 31 December 2021, payable quarterly in arrears. (2020: S$176,000) **(Resolution 2)**

3(a) To re-elect Mr Tan Kok Hiang who retires by rotation in accordance with Article 107 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 3)**

[See Explanatory Note (A) below]

3(b) To re-elect Mr Samuel Poon Hon Thang who retires by rotation in accordance with Article 107 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 4)**

[See Explanatory Note (A) below]

4. To re-appoint Messrs KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:-

6. **Authority to allot and issue shares**

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Company's Constitution, authority be and is hereby given to the Directors of the Company to:-

(A) (i) issue shares of the Company ("**Shares**") whether by way of rights, bonus or otherwise, and/or

(ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

NOTICE OF
ANNUAL GENERAL MEETING

provided that:-

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:-

(i) new shares arising from the conversion or exercise of any convertible securities which were issued and are outstanding or subsisting at the time this Resolution is passed;

(ii) new shares arising from exercising share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (a) above and this sub-paragraph (b), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier" **(Resolution 6)**

7. **Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions**

That:-

(a) approval be and is hereby given for the renewal of the general mandate for the purpose of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), for the Company and its subsidiaries, and their associated companies, or any of them, to enter into any of the transactions falling within the types of "interested person transactions", particulars of which are set out in the Company's circular to shareholders dated 12 April 2021 ("**Circular**"), with any party who is of the class or classes of "interested persons" described in the Circular, provided that such transactions are made on normal commercial terms and in accordance with the guidelines and procedures for review and administration of "interested person transactions" as described in the Circular and will not be prejudicial to the interests of the Company and its minority shareholders; and

(b) the approval given in paragraph (a) above ("**IPT Mandate**") shall, unless revoked or varied by the Company in a general meeting of the Company, continue in force until the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier; and

NOTICE OF ANNUAL GENERAL MEETING

(c) the audit committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary for the IPT Mandate to take into consideration any amendment to Chapter 9 of the SGX-ST Listing Manual which may be prescribed by the SGX-ST from time to time, and such other applicable laws and rules; and

(d) the Directors and any of them be and are hereby authorised and empowered to approve and complete and do all such acts and things (including to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as he or they may consider expedient, desirable or necessary or in the interests of the Company to give effect to the IPT Mandate and this resolution and the transactions contemplated and/or authorised by the IPT Mandate and this resolution. **(Resolution 7)**

8. **Proposed Renewal of the Shares Purchase Mandate**

That:-

(a) pursuant to Article 52(2) and for the purposes of the Companies Act (Chapter 50) of Singapore, the Directors of the Company be and are hereby authorised generally and unconditionally to make purchases of ordinary shares in the share capital of the Company ("**Shares**") from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per cent. (10%) of the issued Shares (ascertained as at the date of the passing of this resolution, but excluding any Shares held as treasury Shares or subsidiary holdings) at the price of up to but not exceeding the Maximum Price (as defined below), in accordance with the guidelines described in the Circular, including the "Guidelines on Shares Purchases" set out in Appendix I of the Circular, and otherwise in accordance with all other laws and regulations, and the rules of the SGX-ST ("**Shares Purchase Mandate**"); and

(b) the Shares Purchase Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the earlier of:-

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Shares Purchase Mandate are carried out to the full extent mandated; and

(c) in this Ordinary Resolution 8, "**Maximum Price**" means:-

(i) in the case of a market purchase of Shares on the SGX-ST transacted through the SGX-ST's trading system or on another stock exchange on which the Company's equity securities are listed, one hundred and five per cent. (105%) of the Average Closing Price; and

(ii) in the case of an off-market purchase pursuant to an equal access scheme in accordance with Section 76C of the Companies Act (Chapter 50) of Singapore, one hundred and twenty per cent. (120%) of the Average Closing Price,

in either case, excluding related expenses of the Shares purchase.

For the above purposes:-

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days on which transactions in the Shares were recorded preceding the day of the market purchase (which is deemed to be adjusted for any corporate action that occurs after the relevant 5-day period and the day on which the purchases are made);

NOTICE OF
ANNUAL GENERAL MEETING

(d) the Directors of the Company and any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the Shares Purchase Mandate and this resolution, and the transactions contemplated and/or authorised by the Shares Purchase Mandate and this resolution. **(Resolution 8)**

9. **Authority to Offer and Grant Awards and to Allot and Issue Shares under the Enviro-Hub Share Award Scheme**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be and are hereby authorized to offer and grant awards ("**Awards**") in accordance with the provisions of the "Enviro-Hub Share Award Scheme" ("**Scheme**") and (notwithstanding the authority conferred by this resolution may have ceased to be in force) to allot and issue from time to time such number of fully-paid new ordinary shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the vesting of the Awards under the Scheme provided always that the aggregate number of Shares (comprising new Shares and/or treasury Shares) to be delivered pursuant to the Scheme, when added to the number of new Shares issued and issuable and the number of treasury Shares delivered in respect of all other share schemes or share plans of the Company (if any), shall not exceed fifteen per cent. (15%) of the total issued share capital of the Company (excluding treasury Shares and subsidiary holdings) from time to time, and provided also that, subject to such adjustments as may be made to the Scheme as a result of any variation in the capital structure of the Company, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 9)**

10. **Approval for the continued appointment of Mr Tan Kok Hiang, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST (by all shareholders)**

That, subject to and contingent upon the passing of Resolution 3, by shareholders of the Company via appointing the Chairman of the AGM as proxy to vote at the AGM and the passing of Resolution 11 by shareholders of the Company via appointing the Chairman of the AGM as proxy to vote at the AGM, excluding the Directors and the chief executive officer of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST): (a) the continued appointment of Mr Tan Kok Hiang as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Tan Kok Hiang as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution. **(Resolution 10)**

11. **Approval for the continued appointment of Mr Tan Kok Hiang, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (by shareholders excluding the Directors and Chief Executive Officer of the Company, and their respective associates)**

That, subject to and contingent upon the passing of Resolution 3: (a) the continued appointment of Mr Tan Kok Hiang as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Tan Kok Hiang as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution, provided that this Resolution shall only be proposed and voted upon if Resolution 10 is passed by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM. **(Resolution 11)**

Mr Tan Kok Hiang will, upon re-election as an Independent Director of the Company, remain as the Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

NOTICE OF
ANNUAL GENERAL MEETING

12. **Approval for the continued appointment of Mr Samuel Poon Hon Thang, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST (by all shareholders)**

That, subject to and contingent upon the passing of Resolution 4, by shareholders of the Company via appointing the Chairman of the AGM as proxy to vote at the AGM and the passing of Resolution 13 by shareholders of the Company via appointing the Chairman of the AGM as proxy to vote at the AGM, excluding the Directors and the chief executive officer of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST): (a) the continued appointment of Mr Samuel Poon Hon Thang as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Samuel Poon Hon Thang as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution. **(Resolution 12)**

13. **Approval for the continued appointment of Mr Samuel Poon Hon Thang, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (by shareholders excluding the Directors and Chief Executive Officer of the Company, and their respective associates)**

That, subject to and contingent upon the passing of Resolution 4: (a) the continued appointment of Mr Samuel Poon Hon Thang as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Samuel Poon Hon Thang as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution, provided that this Resolution shall only be proposed and voted upon if Resolution 12 is passed by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM. **(Resolution 13)**

Mr Samuel Poon Hon Thang will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

By Order of the Board

Joanna Lim Lan Sim
Company Secretary
12 April 2021

EXPLANATORY NOTE

(A) Resolutions 3 and 4

In relation to Ordinary Resolutions 3 and 4 proposed in items 3(a) and 3(b) above, the detailed information on Mr Tan Kok Hiang and Mr Samuel Poon Hon Thang are set out in the section entitled "Board of Directors", Table 3 in the Corporate Governance Report and "Additional Information on Directors Seeking Re-election" of the Company's 2020 Annual Report.

There are no relationships (including immediate family relationships) between Mr Tan Kok Hiang and the Company, its related corporations, its substantial shareholders or its officers.

There are no relationships (including immediate family relationships) between Mr Samuel Poon Hon Thang and the Company, its related corporations, its substantial shareholders or its officers.

NOTICE OF ANNUAL GENERAL MEETING

Statement pursuant to Article 61(3) of the Company's Constitution

The effect of the resolutions under the heading "Special Business" in the Notice of the Annual General Meeting is:-

1. The **Ordinary Resolution 6** proposed in item 6 above, if passed, will empower the Directors of the Company (unless varied or revoked by the Company in general meeting) from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier, to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares and issue shares in pursuance of such instruments. The number of shares (including shares to be issued in pursuance of instruments made or granted) that the Directors of the Company may issue under Resolution 6 shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time of the passing of Resolution 6, of which up to twenty per centum (20%) may be issued other than on a *pro rata* basis to the shareholders. The aggregate number of shares which may be issued shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time that Resolution 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Resolution 6 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. As at 23 March 2021 (the "**Latest Practicable Date**"), the Company had no treasury shares and subsidiary holdings.

   On 8 April 2020, SGX RegCo issued a news release which introduced measures to support issuers amid the challenging business and economic climate due to COVID-19, including enabling the acceleration of fund-raising efforts by allowing Mainboard issuers to provisionally seek a general mandate for an issue of shares and convertible securities on a *pro rata* basis of up to an aggregate of 100% of its issued shares (excluding treasury shares and subsidiary holdings), versus 50% previously (the "**Enhanced Share Issue Limit**"). On 16 March 2021, SGX Regco announced that the availability of the Enhanced Share Issue Limit would be extended for Mainboard issuers (from 31 December 2021 previously) to the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by law of the Listing Manual of the SGX-ST to be held, whichever is the earliest.

   The Company is proposing to avail itself of these measures and to seek shareholders' approval for a general mandate with an Enhanced Share Issue Limit at the upcoming AGM. The Board of Directors is of the view that it would be in the interest of the Company and its shareholders to do so in the event that circumstances evolve amid the COVID-19 situation to such an extent that a 50% limit for *pro rata* issues is no longer sufficient to meet the Company's needs. If this were to occur and no Enhanced Share Issue Limit were to be in place, fund raising efforts would otherwise be unnecessarily hampered and compromised by the time needed to obtain shareholders' approval to issue shares above the 50% threshold.

   The Enhanced Share Issue Limit will expire at the conclusion of the next Annual General Meeting of the Company in year 2022 (the "**2022 AGM**") or the date by which the 2022 AGM is required by law or the Listing Manual of the SGX-ST to be held, whichever is the earliest. Any extension of time which may be obtained for the holding of the 2022 AGM will be disregarded in determining the expiry date of the Enhanced Share Issue Limit. If the Company subsequently changes its financial year end, the expiry date of the Enhanced Share Issue Limit will be the date by which the 2022 AGM would have been required by law or the Listing Manual of the SGX-ST to be held, whichever is the earlier, assuming no change to the financial year end. By the expiry date of the Enhanced Share Issue Limit, the shares and/or convertible securities issued pursuant to the Enhanced Share Issue Limit must be listed, and no further shares and/or convertible securities shall be issued under this limit.

   The Company will notify SGX RegCo, by way of email to enhancedsharelimit@sgx.com, of the date on which the general share issue mandate with the Enhanced Share Issue Limit has been approved by shareholders.

NOTICE OF
ANNUAL GENERAL MEETING

2. The **Ordinary Resolution 7** proposed in item 7 above, if passed, will authorise the types of "interested person transactions" as described in the Company's circular to shareholders dated 12 April 2021 and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the IPT Mandate (as defined in Resolution 7 above). This authority will, unless revoked or varied by the Company at a general meeting, expire on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is earlier. Details of the IPT Mandate are set out in the Company's circular to shareholders dated 12 April 2021.

3. The **Ordinary Resolution 8** proposed in item 8 above, if passed, will authorise the Directors of the Company to make on-market and off-market purchases or acquisitions of ordinary shares in the share capital of the Company ("**Shares**") of up to 10 per cent. (10%) of the issued shares (excluding treasury Shares and subsidiary holdings) (ascertained as at the date of the passing of Resolution 8 above) at such price(s) up to the Maximum Price (as defined in Resolution 8 above) and will empower the Directors of the Company to do all acts necessary to give effect to the Share Purchase Mandate (as defined in Resolution 8 above). This authority will, unless revoked or varied by the Company at a general meeting, expire on the date on which the next annual general meeting of the Company is held, or the day by which the next annual general meeting of the Company is required by law to be held, or the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier. Detailed information on the Shares Purchase Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial impact on the Company's financial position, is set out in the Company's circular to shareholders dated 12 April 2021.

4. The **Ordinary Resolution 9** proposed in item 9 above, if passed, will authorise the Directors of the Company to offer and grant awards and to allot and issue new ordinary shares in the capital of the Company ("**Shares**") pursuant to the "Enviro-Hub Share Award Scheme" ("**Scheme**"), the details of the Scheme and a summary of the rules of which are set out in the Company's circular to shareholders dated 31 October 2012 (which was approved at the Extraordinary General Meeting of the Company held on 22 November 2012), provided always that the aggregate number of Shares (comprising new Shares and/or treasury Shares) to be delivered pursuant to the Scheme, when added to the number of new Shares issued and issuable and the number of treasury Shares delivered in respect of all other share schemes or share plans of the Company (if any), shall not exceed fifteen per cent. (15%) of the total issued share capital of the Company (excluding treasury Shares and subsidiary holdings) from time to time. This authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

5. The proposed **Ordinary Resolutions 10 to 13** are proposed in anticipation of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022. With effect from 1 January 2022, Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST will provide that a Director will not be independent if he has been a Director for an aggregate period of more than nine years and his continued appointment as an independent Director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders excluding the Directors and the chief operating officer of the Company, and their respective associates.

NOTICE OF
ANNUAL GENERAL MEETING

IMPORTANT NOTES ON THE ANNUAL GENERAL MEETING ("AGM") TO BE HELD BY ELECTRONIC MEANS

(A) PRE-REGISTRATION

This Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM dated 12 April 2021 which has been uploaded on SGXNET on the same day. The announcement and Notice of AGM may also be assessed at the Company's website at www.enviro-hub.com.

Members who wish to attend the AGM via live audio-visual webcast or live audio-only stream, must pre-register by stating their emails, full names, NRIC/Passport Nos./Company Registration Nos. and address to **info@enviro-hub.com** by 10.30 a.m. on 26 April 2021 ("**Registration Cut-Off Date**") to enable the Company to verify their status as members.

Following the verification, authenticated members will receive a confirmation email by 27 April 2021 which will contain login details to access the live audio-visual webcast.

Members should not disclose such login details to persons who are not entitled to attend the AGM. Members who do not receive the confirmation email by 5.00 p.m. on 27 April 2021 may contact the Company at the following email address: info@enviro-hub.com

Persons who hold shares through relevant intermediaries, including CPF and SRS investors, and who wish to participate in the AGM should approach their respective relevant intermediaries at least seven (7) working days before the AGM in order for necessary arrangements to be made for their participation in the AGM.

(B) SUBMISSION OF PROXY FORM

In view of the current Covid-19 control measures in Singapore, the AGM will be held by electronic means and a member will not be able to attend the AGM in person. A member (whether individual or corporate) must **appoint the Chairman of the Meeting** as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman of the AGM, as proxy, need not be a member of the Company. The Proxy Form is available on SGXNET and the Company's website. A copy of the Proxy Form can also be found in the Annual Report 2020. A member must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid. The Proxy Form must be submitted in the following manner:-

- if submitted electronically, be submitted via email to the registered office of the Company at info@enviro-hub.com or
- if submitted by post, be deposited at the at the registered office of the Company at 3 Gul Crescent, Singapore 629519.

in either case, by **10.30 a.m. on 26 April 2021**.

A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM.

NOTICE OF
ANNUAL GENERAL MEETING

(C) SUBMISSION OF QUESTIONS

Shareholders can submit their questions related to the resolutions to be tabled at the AGM to the Chairman of the AGM, in advance of the AGM, by email to info@enviro-hub.com.

When sending in your questions by post or by email, please also provide the following details:-

a. your full name;
b. number of shares held; and
c. the manner in which you hold shares in the Company (e.g. via CDP, CPF or SRS).

All questions must be submitted by **19 April 2021**. Members will be not able to ask questions at the AGM live during the webcast or audio-stream.

The Company will endeavour to address all substantial and relevant questions related to the resolutions to be tabled for approval before or at the AGM. A summary of the questions and responses will be published on SGXNET and the Company's website.

(D) ACCESS TO DOCUMENTS OR INFORMATION RELATING TO THE AGM

The Annual Report 2020 and the Appendix, Notice of AGM and Proxy Form may be accessed on the Company's corporate website at www.enviro-hub.com and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Physical copies of these Documents will NOT be dispatched to shareholders.

(E) FURTHER UPDATES

In view of the evolving COVID-19 situation, the Company reserves the right to take such further precautionary measures as may be appropriate up to the date of the AGM, including any precautionary measures required or recommended by government agencies, in order to curb the spread of COVID-19. Shareholders should continually check for announcements by the Company for updates on the AGM. The Company would like to thank all shareholders for their patience and cooperation in enabling the Company to continue holding its AGM amidst the COVID-19 situation.

(F) PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tan Kok Hiang and Mr Samuel Poon Hon Thang are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on Wednesday, 28 April 2021 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:-

	MR TAN KOK HIANG	**MR SAMUEL POON HON THANG**
Date of Initial Appointment	21 May 1999	26 September 2006
Date of last re-appointment	25 April 2019	28 April 2020
Age	70	71
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Tan Kok Hiang for re-election as Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Tan Kok Hiang possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Samuel Poon Hon Thang for re-election as Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Samuel Poon Hon Thang possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Director, Chairman of the Audit and Remuneration Committees and member of the Nominating Committee.	Non-Executive Independent Director, Chairman of the Nominating Committee and member of Audit and Remuneration Committees.
Professional qualifications	Bachelor of Accountancy (Hons)	Bachelor of Commerce (1st Class Honours Degree)
Working experience and occupation(s) during the past 10 years	More than 30 years of experience in accounting, corporate finance, strategic planning and business development.	Former banker with more than 30 years of experience in corporate banking, corporate finance and consumer banking.
Shareholding interest in the listed issuer and its subsidiaries	2,216,666 ordinary shares in the Company.	923,333 ordinary shares in the Company.

ADDITIONAL INFORMATION
ON DIRECTORS SEEKING RE-ELECTION

	MR TAN KOK HIANG	MR SAMUEL POON HON THANG
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	NA	NA
Present	(a) Enviro-Hub Holdings Ltd (b) LHT Holdings Ltd (c) Transit-Mixed Concrete Ltd (d) ICP Limited	(a) Enviro-Hub Holdings Ltd (b) Soilbuild Construction Group Ltd (c) UOL Group Limited
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		No
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		MR TAN KOK HIANG	MR SAMUEL POON HON THANG
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

ADDITIONAL INFORMATION
ON DIRECTORS SEEKING RE-ELECTION

		MR TAN KOK HIANG	MR SAMUEL POON HON THANG
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TAN KOK HIANG	MR SAMUEL POON HON THANG
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

ENVIRO-HUB HOLDINGS LTD.
(Company Registration No. 199802709E)
(Incorporated in the Republic of Singapore)

IMPORTANT
(1) This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them.
(2) CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM as proxy to vote on their behalf should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions at least seven (7) working days before the AGM. Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

PERSONAL DATA PRIVACY:
By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2021.

ANNUAL GENERAL MEETING
PROXY FORM

I*I/We(Name) ______________________________ (NRIC/Passport/UEN) ______________

of (Address) ____

being a *member/ members of Enviro-Hub Holdings Ltd (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies, to vote for me/us on my/our behalf at the AGM of the Company **to be held by electronic means on Wednesday, 28 April 2021 at 10.30 a.m.** and at any adjournment thereof.

*I/We direct *my/our proxy to vote for or against, or abstain from voting on, the Ordinary Resolutions to be proposed at the AGM as indicated hereunder.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

No.	Ordinary Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2020, the Directors' Statement together with the Auditors' Report thereon.			
2.	To approve Directors' fees of S$176,000 for the financial year ending 31 December 2021, payable quarterly in arrears. (2020: S$176,000)			
3.	To re-elect Mr Tan Kok Hiang as a Director (Retiring under Article 107).			
4.	To re-elect Mr Samuel Poon Hon Thang as a Director (Retiring under Article 107).			
5.	To re-appoint Messrs KPMG LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
6.	To authorise the Directors to allot and issue shares.			
7.	To approve the Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions.			
8.	To approve the Proposed Renewal of the Shares Purchase Mandate.			
9.	To authorise the Directors to offer and grant awards and to allot and issue shares under the Enviro-Hub Share Award Scheme.			
10.	To approve the continued appointment of Mr Tan Kok Hiang as an Independent Director by all shareholders (effective 1 January 2022).			
11.	Approval for the continued appointment of Mr Tan Kok Hiang as an Independent Director by shareholders, excluding the Directors and Chief Executive Officer ("CEO") of the Company, and their respective associates (effective 1 January 2022).			
12.	To approve the continued appointment of Mr Samuel Poon Hon Thang as an Independent Director by all shareholders (effective 1 January 2022).			
13.	Approval for the continued appointment of Mr Samuel Poon Hon Thang as an Independent Director by shareholders, excluding the Directors and Chief Executive Officer ("CEO") of the Company, and their respective associates (effective 1 January 2022).			

* Delete where applicable

Please indicate your vote "For", "Against" or "Abstain" with an "**X**" within the box provided. Alternatively, please indicate the number of votes "For" or "Against" within the box provided. If you wish the Chairman of the AGM as your proxy to "Abstain" from voting on a resolution, please indicate "**X**" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the AGM as your proxy is directed to abstain from voting in that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this ______________ day of ______________ 2021

Total No. of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Member(s) or Common Seal of Corporate Member
* Delete as appropriate

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depositary (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Please note that a member may not vote at the AGM otherwise than by way of appointing the Chairman of the AGM as the member's proxy.

   Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. A member who is a relevant intermediary entitled to vote at the AGM must appoint the Chairman of the AGM to vote at the AGM instead of the member.

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Future Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Central Provident Fund Act, Chapter 36 of Singapore, providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

   CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM by 10.30 a.m. on 19 April 2021.

Fold along this line

Affix
Postage
Stamp
Here

The Company Secretary
ENVIRO-HUB HOLDINGS LTD
3 Gul Crescent
Singapore 629519

Fold along this line

4. The Chairman of the AGM, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

   (i) if submitted electronically, be submitted via email to info@enviro-hub.com; or

   (ii) if submitted by post, be deposited at the registered office of the Company at 3 Gul Crescent, Singapore 629519.

   in either case, by no later than **26 April 2021, 10.30 a.m.,** being at least 48 hours before the time for holding the AGM. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before scanning and sending it by email to the email address provided above, or submitting it by post to the address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.
6. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing the Chairman of AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its authorised officer(s) or its attorney duly authorised.
7. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) if the instrument appointing the Chairman of the AGM as proxy is submitted by post, be lodged with the instrument of proxy, if the instrument appointing the Chairman of the AGM as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing Chairman of the AGM as proxy (including any related attachment). In addition, in the case of members whose shares entered against their names in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares against their names in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. Members should take note that once this proxy form is submitted electronically via email to info@enviro-hub.com or posted/deposited at the registered office of the Company at 3 Gul Crescent, Singapore 629519, they cannot change their vote as indicated in the box provided above.

ENVIRO-HUB HOLDINGS LTD
Company Registration No. 199802709E

3 Gul Crescent
Singapore 629519
Tel: 6863 2100
Fax: 6861 2100
Email: info@enviro-hub.com

www.enviro-hub.com