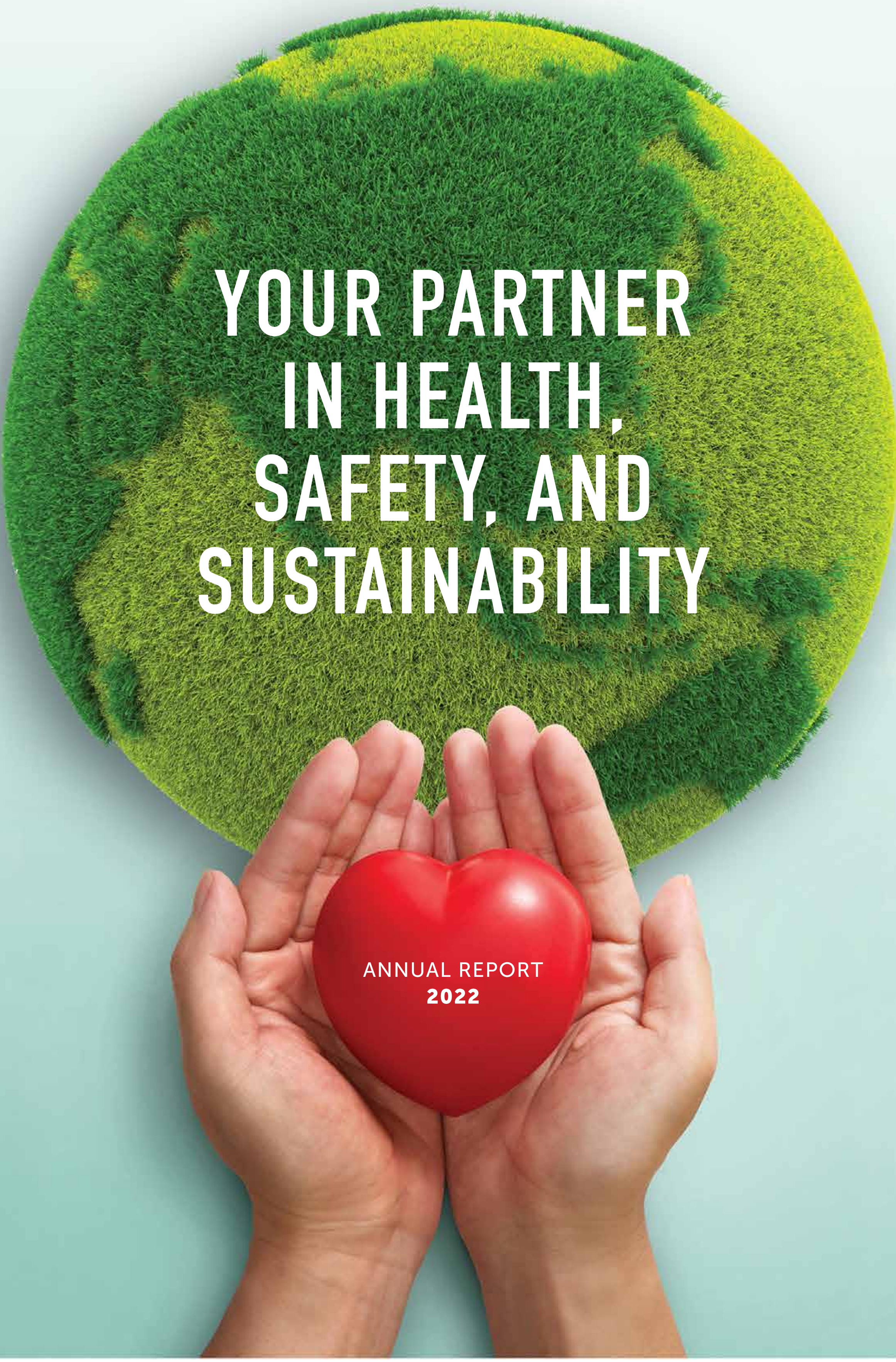
一合环保控股

ENVIRO-HUB HOLDINGS LTD

Let's Restore The Environment!

YOUR PARTNER IN HEALTH, SAFETY, AND SUSTAINABILITY



ANNUAL REPORT

2022

CORPORATE VISION

Environmental sustainability is our anthem.
We thrive to be the leading provider in the e-waste and scrap metals recycling movement and meet the global needs of healthcare provision.

CORPORATE MISSION

Our mission is to create an economically and environmentally sustainable business, delivering innovative and cost-effective solutions for the well-being of our current and future generations. We also endeavour to be a trusted manufacturer and supplier of quality healthcare products and services.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
Mr Raymond Ng Ah Hua

Executive Director Cum Chief Investment Officer
Mr Adrian Toh Jia Sheng

Independent Directors
Mr Samuel Poon Hon Thang (Lead)
Mr Tan Kok Hiang
Dr Teo Ho Pin

Non-Executive Director
Dr Lai Huen Poh

AUDIT COMMITTEE

Mr Tan Kok Hiang (Chairman)
Mr Samuel Poon Hon Thang
Dr Lai Huen Poh
Dr Teo Ho Pin

NOMINATING COMMITTEE

Mr Samuel Poon Hon Thang (Chairman)
Mr Tan Kok Hiang
Mr Raymond Ng Ah Hua
Dr Teo Ho Pin

REMUNERATION COMMITTEE

Mr Tan Kok Hiang (Chairman)
Mr Samuel Poon Hon Thang
Dr Lai Huen Poh
Dr Teo Ho Pin

COMPANY SECRETARIES

Ms Joanna Lim Lan Sim
Mr Lee Wei Hsiung

REGISTERED OFFICE

Enviro-Hub Holdings Ltd
3 Gul Crescent
Singapore 629519
Tel: 6863 2100
Fax: 6861 2100
Email: info@enviro-hub.com
www.enviro-hub.com

REGISTRAR & TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

AUDITORS

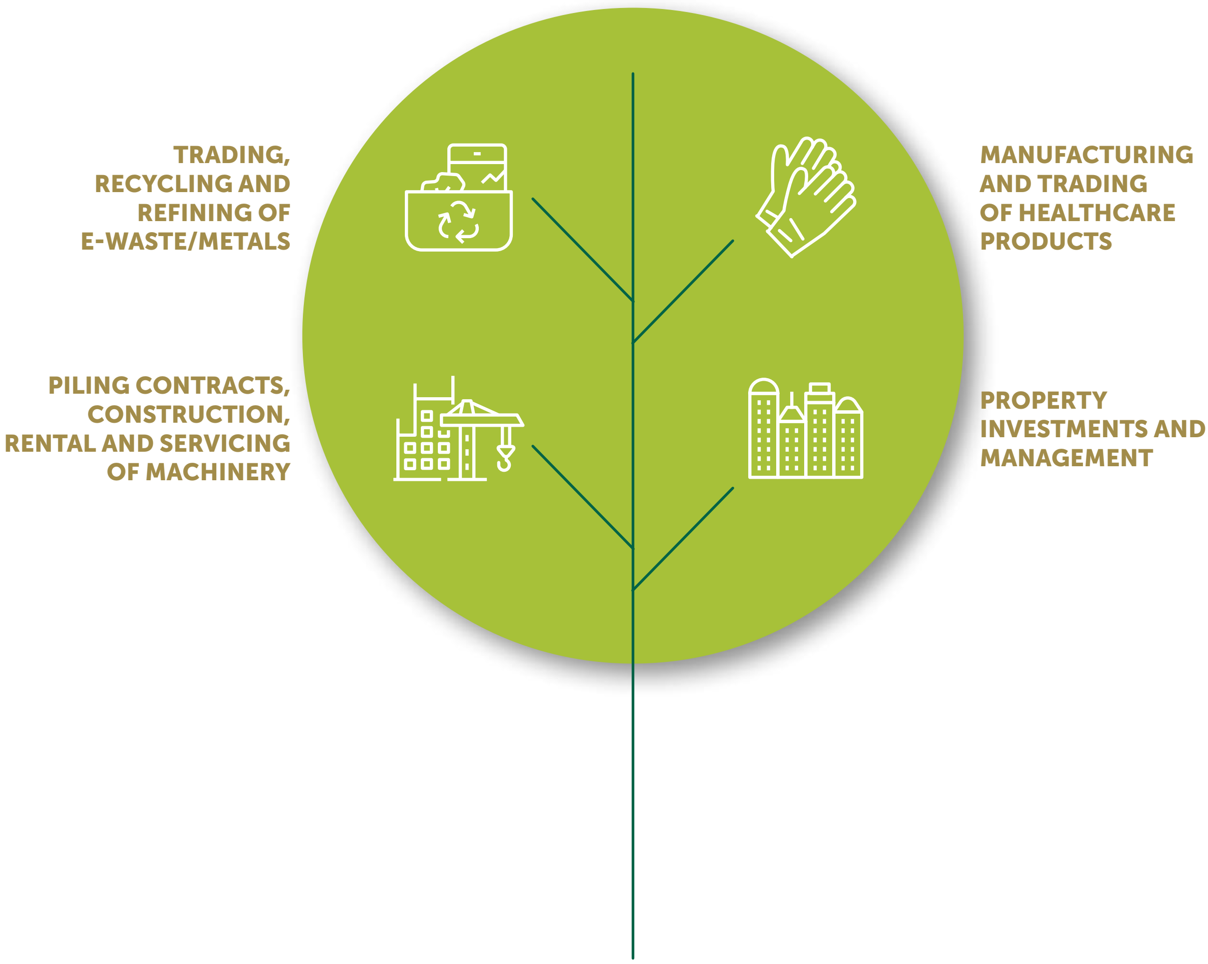
KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961
Audit Partner-in-charge:
Ms Ong Chai Yan
(Since financial year 2020)

PRINCIPAL BANKERS

Hong Leong Finance Limited
CIMB Bank

CORPORATE PROFILE

ENVIRO-HUB'S BUSINESS INCLUDE:

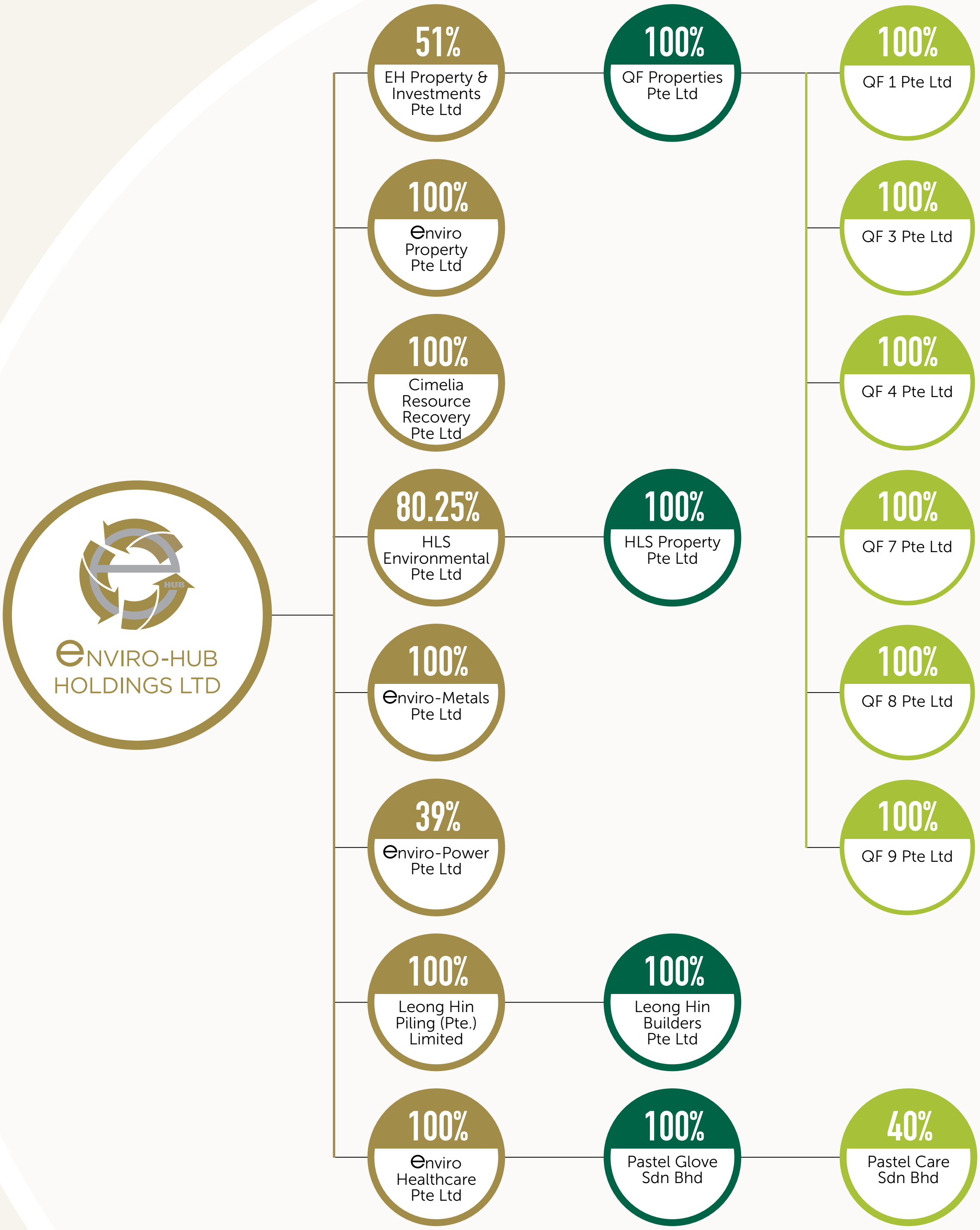


Enviro-Hub is a Singapore-listed organisation with a diverse portfolio that includes trading, recycling and refining of e-waste/metals, piling contracts, construction, rental and servicing of machinery, property investments and management, and the manufacturing and trading of healthcare products.

The Board of Directors, led by Chairman Mr Raymond Ng Ah Hua, with over 35 years in the recycling industry and 20 years in real estate, guides the company in identifying opportunities for growth across multiple revenue streams. Committed to sustainable living, Enviro-Hub provides total WEEE (waste electrical-electronic equipment) solutions, recovers and refines platinum group metals, and recycles ferrous and non-ferrous metals, strengthening the company's brand presence globally. With a seamless value chain for environmental management solutions and services, Enviro-Hub is known for its commitment to innovation and excellence. In the building and construction sector, the company leverages its subsidiaries and associates to build a solid reputation and contribute to the development of Singapore's cityscape.

In 2021, Enviro-Hub expanded into the healthcare industry with the acquisition of Malaysian glove manufacturer Pastel Glove Sdn Bhd and further grew the segment by investing in a retail pharmaceutical business in Malaysia. The company's success is driven by a dedicated staff and management team working closely with business partners and customers to deliver quality solutions. Enviro-Hub strives to maintain high standards and drive continuous growth for its stakeholders.

GROUP STRUCTURE



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors ("Board"), I am pleased to present to you our annual report for the financial year ended 31 December 2022 ("FY2022").

As we close the books on another successful year, I am thrilled to report that Enviro-Hub Holdings Ltd ("Enviro-Hub") has once again demonstrated its resilience and adaptability, achieving a remarkable 9% growth in revenue despite some headwinds in our healthcare and non-core division - pilling. I am pleased to report that despite the challenges that have impacted our gross margins in our healthcare and piling segments, we have managed to register a profit of $6.2 million.

Overall, there was an increase in the cost of sale by 22% and a decrease in gross profit by 36%, mainly due to a decrease in our average selling price of gloves and an increase in our material costs respectively. We take these setbacks seriously and are reassessing our strategies to ensure that we stay true to our values and deliver sustainable value for our shareholders.

As we move forward, we remain deeply committed to creating value for our shareholders. I am thrilled to propose a final dividend payment of S$0.001 per share for the current year. This decision underscores our steadfast commitment to returning value to our shareholders and rewarding them for their loyalty and trust. We recognise that we did not declare a dividend last year, but we believe that our strong financial position and positive outlook for the future warrant a dividend payment this year. This proposal is in line with our commitment to maintaining a strong financial position while returning value to our shareholders.

The global COVID-19 situation has made significant progress as the world adapts to a new normal of living with the pandemic. The world economic recovery has proven resilient, notwithstanding the current geo-political and inflationary challenges. We have seen improvement in overall economic sentiment and market conditions. With the continuous surge of interest rates, together with the emergence of inflationary pressure and political instability around the globe, we will maintain a cautious stance with a conservative approach to capital, funding and liquidity that positions us well to respond to the current environment.

Our Group's FY2022 performance reflects positive results across different segments. None of our achievements would have been possible without the unwavering dedication and hard work of our employees, who continue to go above and beyond to meet the needs of our clients. On behalf of the board, we would like to commend our employees for their efforts and contribution in the past year. Their dedication to delivering work during uncertain times deserves our utmost gratitude.

Over the past year, we achieved several significant milestones, one of which was our entry into the retail pharmacy business in Malaysia. This new venture represents a natural extension of our core business in healthcare, and we are thrilled to have already opened 10 retail pharmacy outlets in less than a year. Our entry into the retail pharmacy market is in line with our strategic vision to build a robust and diversified healthcare business that serves the evolving needs of our customers. This new venture allows us to leverage our well-trained pharmacists and our core competencies in logistics, supply chain management, to deliver exceptional value to our customers.

I am also proud to report that last year, our Board of Directors made a visit to our flagship store in Malaysia. This visit allowed our Directors to see firsthand the innovative and customer-centric approach we are taking to the retail pharmacy business. Their positive feedback and insights have been invaluable in shaping our strategic direction and driving growth in this exciting new market.

Meanwhile, this is one of the most challenging times the glove industry has experienced. Although difficult, this is a temporary situation that our subsidiary, Pastel Glove Sdn Bhd ("PGSB"), must go through as we move toward a post-pandemic era. While the challenging environment is expected to persist in the near term, our company's former founder, Mr. Law Siau Woei, has undertaken a proactive role to mitigate any potential risks associated

The Board as Guests of Honor of the opening ceremony in Kuala Lumpur on 3 December 2022

with price fluctuations in the rubber glove industry with his pledge to cover any net loss after tax ("NLAT") for the financial years 2022 to 2024. That said, the Group remains optimistic about the structural growth of the rubber glove industry as we believe the glove demand and supply situation will equilibrate in time to be more reflective of our business and the sector's true potential, both of which remain very promising in the longer term.

I am pleased to report that despite the persistent challenges, our e-waste recycling business has continued to deliver strong financial results. Our commitment to sustainability and innovative solutions has enabled us to remain profitable, despite in the face of shrinking margins and volatile commodity prices. We are now in a prime position to take bold steps and pursue ambitious growth opportunities. As businesses around the world increasingly recognise the importance of reducing their carbon footprint and embracing green branding, we are confident in our ability to capitalise on this trend. We are investing heavily in our operations to meet the growing demand for sustainable and environmentally friendly solutions. Our experienced team is committed to creating a brighter future for all, and we are determined to continue leading the way in this critical area.

As we close out the year, I feel privileged to lead a passionate and value-driven team that has been unwavering in its commitment to delivering the care our community needs. I would like to take this opportunity to express my heartfelt gratitude to our employees for their dedication, hard work, and unwavering commitment to our mission. There is no doubt in my mind that when we work together, there is nothing we cannot achieve. We are excited about the opportunities that lie ahead, and we remain dedicated to creating lasting value for our shareholders, employees, and the communities we serve.

MR RAYMOND NG AH HUA
Executive Chairman

Opening speech with two renowned Singapore actors

BOARD OF DIRECTORS

MR RAYMOND NG AH HUA
EXECUTIVE CHAIRMAN

Mr Raymond Ng joined the board on 28 October 2004 and was last re-elected as a Director of the Company on 28 April 2022. 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 Raymond 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 also received a Service to Education Award – Silver in 2010 from the Ministry of Education, Singapore.

MR ADRIAN TOH JIA SHENG
EXECUTIVE DIRECTOR CUM CHIEF INVESTMENT OFFICER

Mr Adrian Toh joined Enviro-Hub Holdings Limited ("the Group") on 01 March 2021 as a Chief Investment Officer and was appointed as Executive Director on 11 November 2022. On 2 November 2022, he was appointed as Director of the subsidiaries, namely, EH Property & Investments 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, Enviro Property Pte Ltd, HLS Property Pte Ltd, Enviro-Power Pte Ltd and Leong Hin Builders Pte Ltd. Prior to that he was appointed as Director of Pastel Glove Sdn Bhd on 8 March 2021 and Pastel Care Sdn Bhd on 8 December 2021. He is responsible for corporate strategies, investments, mergers and acquisitions and investor relations for the Group.

He has more than 15 years of experience in the financial sector experiences, predominantly in fund management and consulting. Prior to joining the Group, he was a licensed portfolio manager 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 organisations to improve their performance, primarily through the analysis of existing organisational problems and developing plans for improvement.

Mr Adrian 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 SAMUEL POON HON THANG
LEAD INDEPENDENT DIRECTOR

Mr Samuel Poon joined the board on 26 September 2006 and was last re-elected as a Director of the Company on 28 April 2021. He is also the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. He was further appointed as Lead Independent Director on 25 February 2016.

Mr Samuel Poon is a distinguished former banker with experience that spans almost three decades in the financial industry. From 1979 to 1988, he served as Vice President at Citibank NA (Singapore), where he was responsible for credit, marketing, remedial management and structured finance, etc. Mr Samuel 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 Samuel Poon had previously held directorships in various UOB associated companies and subsidiaries. Besides serving as Independent Director of other listed companies, Mr Samuel Poon also holds a directorship in a private company in China.

MR TAN KOK HIANG
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 28 April 2021. He is also the Chairman of the Audit Committee and Remuneration Committee 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.

BOARD OF DIRECTORS

DR LAI HUEN POH
NON-EXECUTIVE DIRECTOR

Dr Lai joined the board on 27 May 2008 as an Independent Director and was re-designated to Non-Independent Non-Executive Director on 30 October 2012. He was last re-elected as a Director of the Company on 28 April 2022. He is also a member of the Audit Committee and Remuneration Committee.

Dr Lai was also a Board member of SJ-Arup-Mott Mac (SAM), Architecture Management, Surbana Jurong Consultants Pte Ltd since 1 October 2022. Prior to that, he was the CEO of SJ architecture, the architecture arm of Surbana Jurong.

Dr Lai has been an active contributor in the industry, serving on several of Building and Construction Authority (BCA)'s Committees such as the Construction Best Practice, Structural Robustness and the International Panel of Experts on Construction Productivity and BIM. He was also a member of the BCA and Singapore Land Authority Boards and BCA Academy Advisory Panel and Pro-Enterprise Panel for Singapore Government. In December 2019, he was appointed Co-Opted Member of Changi Airport Group (CAG) Executive Committee on Airport Development (ECAD) and in October 2020, he was appointed Co-Opted Board Committee member of SingHealth Eastern Project Committee.

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) in 2018, a national recognition for his invaluable contributions to the Building and Construction Authority.

Dr Lai was conferred an Honorary Degree of Doctor of Engineering by his alma mater, The University of Sheffield, at the University's Degree Congregation ceremony on 19 October 2022.

DR TEO HO PIN
INDEPENDENT DIRECTOR

Dr Teo joined the board as a Non-Executive Independent Director on 08 March 2022. He was last re-elected as Director of the Company on 28 April 2022. He is a member of the Audit Committee, Nominating Committee and Remuneration Committee. Dr Teo has over 30 years of experience in Township Management in Singapore and has held various key positions in both the public and private sectors of the real estate and construction industries. At present, he also holds Independent Directorship positions in four other publicly-listed firms, namely: Tiong Seng Holdings Limited, ISOTeam Limited, King Wan Corporation Limited and Broadway Industrial Group Limited. He is also a Senior Advisor to Surbana Technologies Limited, an Adjunct Professor with the Department of the Built Environment at the National University of Singapore (NUS) and Singapore University of Social Sciences. Dr Teo also serves as the President of the Building and Estate Management Alumni, NUS since 1999.

Prior to his present appointments, Dr Teo was the Mayor of the North West District of Singapore (2001 to 2020), and the Member of Parliament for the Bukit Panjang Constituency (1996 to 2020). He has also been a legislator for 23 years and served as the Chairman for the Government Parliamentary Committees for National Development, Environment & Water resources, Home Affairs and Law.

Dr Teo has a Masters in Project Management and a Doctorate in Building from Heriot Watt University in the United Kingdom.

KEY EXECUTIVES OF THE GROUP

MR KENNETH YEOW CHING SHOONG

HEAD OF FINANCE

Mr Kenneth Yeow was appointed as Head of Finance of Enviro-Hub Holdings Ltd on 4 January 2023. He is responsible for managing the full spectrum of the finance function, covering financial and management reporting, financial planning and analysis (FP&A), cashflow management and financial audit.

Mr Kenneth Yeow started his career in PwC, working on asset management and private equity audit engagements. Prior to joining Enviro-Hub, he held managerial positions in the FP&A and the Corporate Finance team of DFS Group Ltd and made significant contributions to key projects such as the Abu Dhabi Mid Field Terminal Concession Bid, major store renovations in North America, Mid Pacific and Japan, and the implementation of new accounting ERP system.

Mr Kenneth Yeow holds a Bachelor's degree in Business and Commerce from Monash University, majoring in both Accounting and Finance. He is a certified member of CPA Australia.

MS KATHERINE HUNG KAM HAN

HEAD OF CHANGE MANAGEMENT

Ms Katherine Hung joined Enviro-Hub Holdings Limited ("the Group") on 1 November 2021 as Deputy Chief Investment Officer ("Deputy CIO") and was redesignated as the Head of Change Management on 11 November 2022. She assists the Group CIO with investor relations and investing strategies, particularly in the healthcare business. She also oversees change management and internal control within the Group.

Ms Katherine Hung has about 15 years of experience in the financial industry. Before joining the Group, she worked in the Intermediaries Supervision Division of the Securities and Futures Commission ("SFC") in Hong Kong, responsible for supervising and monitoring a group of global financial institutions and intermediaries. Besides, Ms Katherine Hung also gained business management experience in the private banking business at Credit Suisse AG, Hong Kong Branch. Prior to that, she had been staying with PwC Hong Kong for 9 years, specialising in regulatory compliance advisory for financial institutions.

Ms Katherine Hung is a member of the Hong Kong Institute of Certified Public Accountants and holds a Bachelor of Business Administration (Hons) – Finance degree from Hong Kong Baptist University.

KEY EXECUTIVES OF THE GROUP

MR LIM KHENG BOON

DIRECTOR:
Cimelia Resource Recovery Pte Ltd
Enviro-Metals Pte Ltd
Leong Hin Piling (Pte.) Limited

Mr Lim was appointed as Director of Leong Hin Piling (Pte.) Limited in August 2022. Prior to that, Mr Lim joined the Group's wholly-owned subsidiary, Cimelia Resource Recovery Pte Ltd ("Cimelia"), in 2004 as Sales Manager and was appointed Director on 15 July 2021. He is also the Director of Enviro-Metals Pte Ltd ("EM") since March 2011.

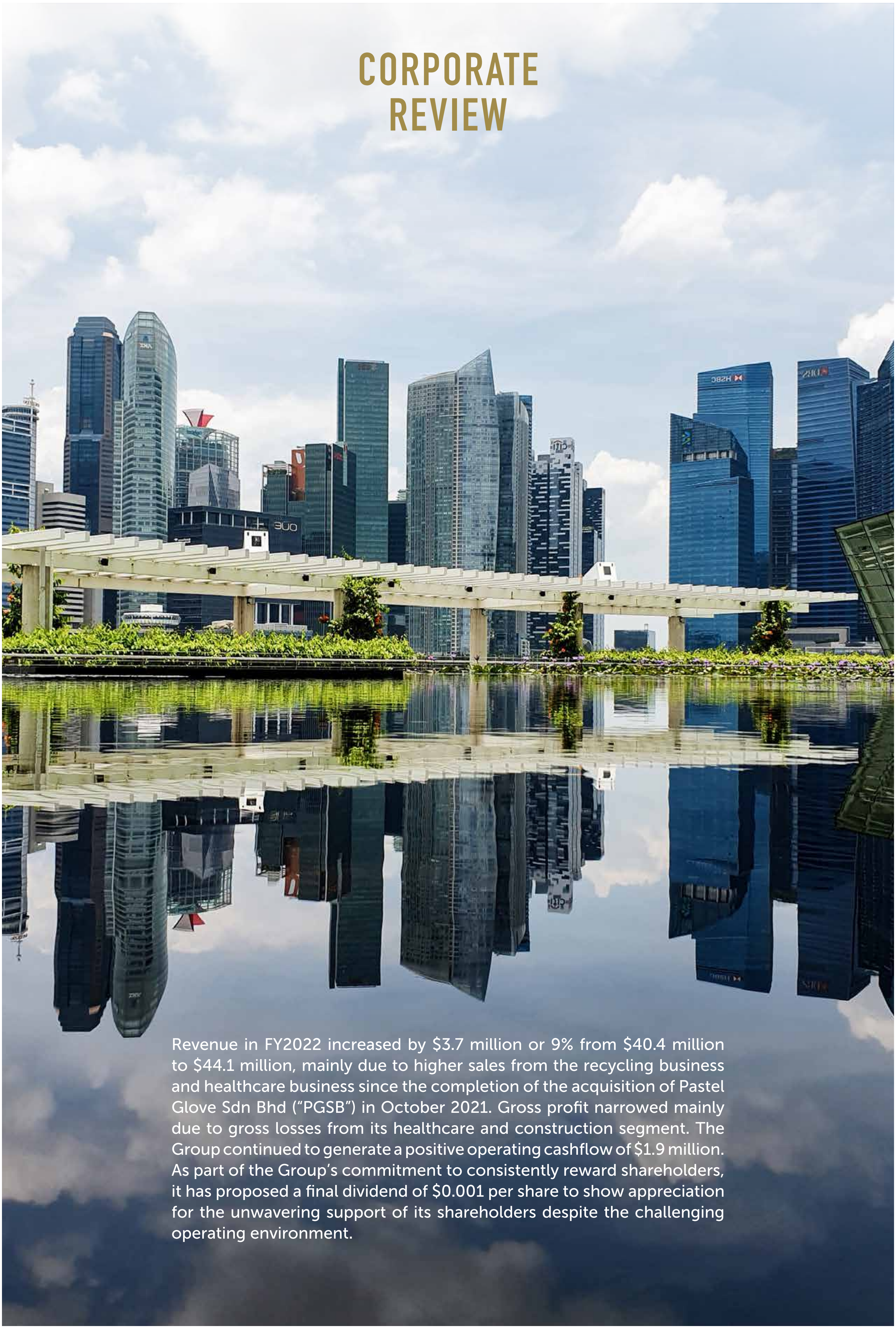
Mr Lim oversees the trading division's sales & marketing strategies for local and overseas markets for both Cimelia and EM. He also manages the day-to-day operation of the above Companies. He has more than 25 years of experience in the area of precious metals.

MR TAN BOON CHYE

DIRECTOR:
HLS Environmental Pte Ltd

Mr Tan was the Operation Manager of HLS Environmental Pte Ltd ("HLSE") and was appointed as Director of HLSE on 2 November 2022. He had previously worked with the Group's other subsidiaries namely Enviro-Power Pte Ltd in 2008 as Process Engineer, Cimelia Resource Recovery Pte Ltd as MDP and WGP Supervisor in 2014 and Enviro-Metals Pte Ltd in 2018 as Operation Manager.

Mr Tan is in charge of the day-to-day operations of HLSE. He has more than 20 years of working experience in the electronics management and waste recycling industry.



CORPORATE REVIEW

Revenue in FY2022 increased by $3.7 million or 9% from $40.4 million to $44.1 million, mainly due to higher sales from the recycling business and healthcare business since the completion of the acquisition of Pastel Glove Sdn Bhd ("PGSB") in October 2021. Gross profit narrowed mainly due to gross losses from its healthcare and construction segment. The Group continued to generate a positive operating cashflow of $1.9 million. As part of the Group's commitment to consistently reward shareholders, it has proposed a final dividend of $0.001 per share to show appreciation for the unwavering support of its shareholders despite the challenging operating environment.

CORPORATE REVIEW

SEGMENTAL REVIEW

Trading, Recycling and Refining of e-Waste/ Metal Division

This division focuses on providing e-waste management solutions and recycling services. The business segment contributed $33.9 million or 77% and $32.7 million or 81% of the Group's revenue for FY2022 and FY2021 respectively. The improvement in this segment was due mainly to a higher sales volume of trading and precious metal sales during the year. Segment profit decreased from $6.1 million in FY2021 to $5.4 million in FY2022 on the back of higher overhead expenses from the segment during the year.

Manufacturing and trading of healthcare products ("Healthcare Products")

This division focuses on selling, distributing and marketing healthcare products and other related activities. The business segment contributed $6.1 million or 14% of the Group's FY2022 revenue and $1.6 million or 4% of the Group's FY2021 revenue. The sharp jump in FY2022 revenue contribution was due to the completion of the acquisition at the end of October 2021 (refer to the Company's circular dated 11 October 2021 for the acquisition of 75% stakes in PGSB). Segmental profit after share of associate's profit/loss decreased from $0.2 million in FY2021 to a segmental loss of $0.7 million in FY2022 due to decreasing average selling price in FY2022.

Property Investment and Management Division

This division engages in developing, investing and managing the Group's investment properties. The segment contributed $1.8 million or 4% and $2.4 million or 6% of the Group's revenue for FY2022 and FY2021 respectively. The revenue decrease was due mainly to the disposal of strata units in FY2021. Yet, segmental profit increased from $6.0 million in FY2021 to $7.8 million in FY2022. The increase was attributed to higher fair value gains on investment properties held at 63 Hillview Avenue during the year.

Piling Contract, Construction, Rental and Servicing of Machinery Division

This division provides piling services, as well as the rental of cranes and heavy machinery for the construction industry. The segment contributed $2.4 million or 5% and $3.7 million or 9% of the Group's revenue for FY2022 and FY2021 respectively. The decrease was mainly due to the fewer sizeable project secured during the year as the Singapore construction industry has yet to recover fully from the Covid-19 pandemic—segmental profit turnaround from a segmental loss of $1.08 million in FY2021 to $1.07 million in FY2022. The minor improvement was mainly due to higher gain on disposal of plant and equipment during the year.

OUTLOOK

The e-waste industry is expected to continue its growth trajectory in the coming years due to the increasing volume of electronic waste generated globally. According to the Global E-waste Monitor 2022 report, approximately 54 million metric tonnes of electronic waste were generated globally in 2019. This number is expected to increase to 74.7 million metric tonnes by 2030. The Group is well-positioned to tap into the potential growth in the industry by increasing Group's e-waste recycling processing capacity as the expansion project is slated to complete by 2H2023.

The rubber glove business continues to offer good prospects, with global glove demand projected to grow healthily at a rate of 10% yearly post-pandemic. Our optimism is well founded. Gloves are both an essential and disposable item in the healthcare industry, which means usage/demand will be recurring. As healthcare awareness and standards increase on the back of new global health threats emerging, consumption is also expected to go up correspondingly. Consider too, that with life expectancy on the rise owing to advances in medicine and technology, there will be a growing ageing population who will require more healthcare, pushing glove usage up. We are certain the impact of these key growth drivers will be felt in their entirety once the market attains equilibrium, rendering the long-term outlook for the glove industry a very promising one.

We have achieved significant progress in the past year. Despite the challenges posed by the global pandemic, we have continued to pursue our strategic objectives and deliver value to our shareholders.

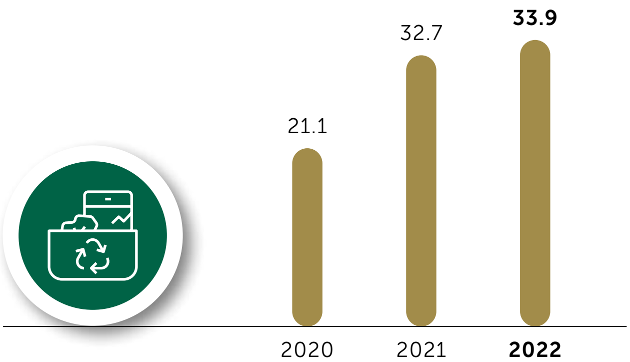
The Group will continue to rationalise its expenses prudently and manage cash flow carefully while streamlining its core businesses and making decisive structural reforms to maximise business performance. Our strong financial performance is a testament to the hard work and dedication of our employees, who have continued to innovate and adapt to changing market conditions. We have also made significant progress in our sustainability initiatives and remain committed to promoting sustainable and responsible business practices.

Looking ahead, the Group is well-positioned to take advantage of emerging opportunities and overcome any challenges that may arise. We will continue to focus on delivering value to our customers, shareholders, and stakeholders while maintaining our commitment to sustainability and responsible business practices.

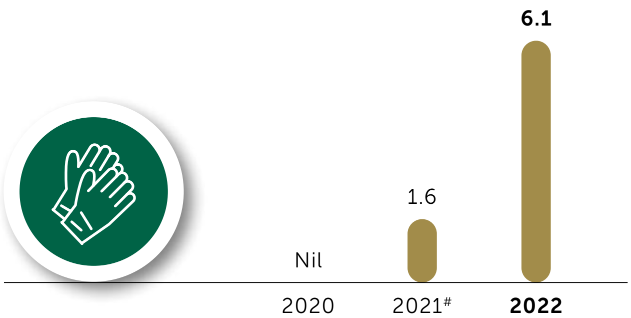
FINANCIAL REVIEW

REVENUE

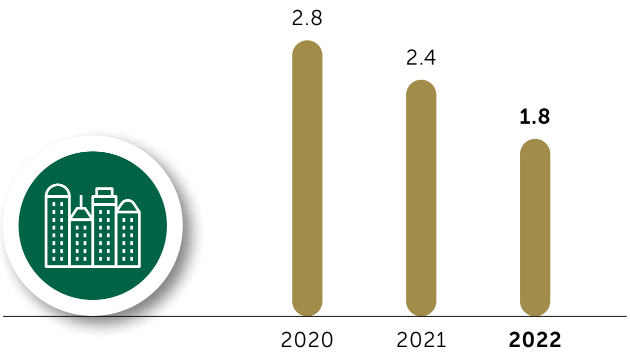
RECYCLING BUSINESS (mil)
Trading, Recycling & Refining
of e-Waste/Metals



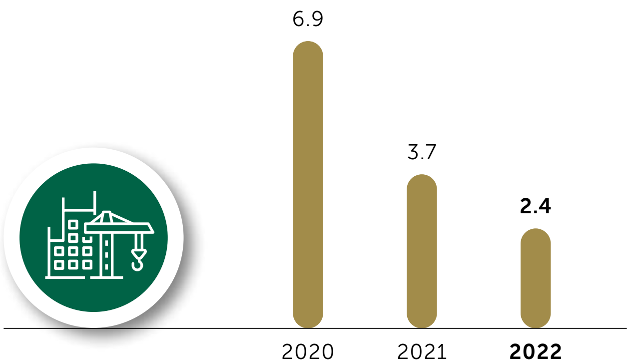
HEALTHCARE BUSINESS (mil)
Manufacturing & Trading of
Healthcare Product



PROPERTY BUSINESS (mil)
Property Investments & Management



CONSTRUCTION BUSINESS (mil)
Piling Contracts, Construction,
Rental & Servicing of Machinery



TOTAL REVENUE FOR FY2022

S$44.1 MILLION

FY2021:
S$40.4 million

FY2020:
S$30.8 million

PROFIT BEFORE TAX FOR FY2022

S$6.0 MILLION

FY2021:
Profit before tax of S$5.6 million

FY2020:
Loss before tax of S$0.6 million

PROFIT FOR FY2022

S$6.2 MILLION

FY2021:
Profit of S$5.6 million

FY2020:
Loss of S$0.6 million

 # Represents post-acquisition revenue as the acquisition completed in end of October 2021.

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 "**Code**") issued on 6 August 2018.

For the financial year ended 31 December 2022 ("**FY2022**"), the Company has complied with the core principles of corporate governance laid down by the Code. The Company has also largely complied with the provisions that reinforce the principles of the Code and in areas where there are variations from the provisions of the Code (namely, variations from Provisions 2.2, 3.1, 3.2, 8.1, 11.4 and 12.2), appropriate explanation and the reasons for variations have 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 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. All the directors have attended the SGX mandatory sustainability training on Environmental, Social and Governance Essentials (Core) organised by Singapore Institute of Directors (SID) in FY2022.

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 FY2022 are also included within this report.

1.5 **Board Meetings and Attendance**

During FY2022, 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 means of a conference telephone, video conferencing, audio visual or similar communications equipment by means. Details of the frequency of Board and Board Committee meetings held in FY2022, 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 Directors have separate and independent access to the Group's senior management and the Company Secretary at all times. During FY2022, the Non-Executive directors and /or Independent directors 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 six directors of whom three are non-executive independent directors, one non-executive director and two executive directors. Independent directors make up at least one-third of the Board. 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 NC based on the guidelines as set out in the 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 taken a decision in respect of his own independence.
	On 11 January 2023, Singapore Exchange Regulation ("**SGX RegCo**") announced Listing Rule changes to limit to nine years the tenure of independent directors (IDs) serving on the boards of listed companies and to remove the two-tier vote mechanism for listed companies to retain long-serving IDs who have served for more than nine years.
	The two-tier vote was removed on 11 January 2023. As a transition measure, IDs whose tenure exceeds the nine-year limit can continue to serve as independent directors until the listed companies' annual general meeting (AGM) held for the financial year ending on or after 31 December 2023.
	The Board is mindful of the Listing Rule changes and will be taking active steps on board renewal.
2.2	**Independent directors make up a majority of the Board if Chairman is not independent**
	The Chairman of the Board is part of the management team. Where the Chairman is not independent, the independent directors should make up a majority of the Board. In this regard, half of the Board is made up of independent directors.
	Whilst independent directors do not make up a majority of the Board, the culture practiced by the Board is to always have a group consensus on major decisions before moving forward. Even without majority ID representation, any issue highlighted by any director is consulted upon and properly addressed in a satisfactory manner.
	Our independent directors (being leaders in their own field) exercise independent thought and articulate their opinion on proposals by asking for more in-depth assessment to be performed before a decision is made as a whole, assisting in the development of proposals on strategy by constructively challenging management and reviewing the performance of management in meetings.
	The Board is of the view that the practices adopted are consistent with the intent of Principle 2 which requires the Board to have an appropriate level of independence and the diversity of the directors' expertise and experience allows for useful exchange of ideas and views. The independent directors have demonstrated high commitment in their role as directors and have always worked towards achieving a good balance of power and authority and good corporate governance.
2.3	**Non-executive directors make up a majority of the Board**
	The Company has complied with the Code's provision for majority of the Board to make up of non-executive Directors.

CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Practices of the Company
2.4	**Board Composition** The Directors consider that the Board's present size of 6 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 Company has adopted a formal Board Diversity Policy setting out its policy, framework and measurable objectives for promoting diversity on the Board. The Board recognizes 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. 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**".
2.5	**Meeting of Non-Executive and /or Independent Directors without Management** The non-executive directors and/or independent directors aim to assist in the development of proposals on strategy by constructively challenging Management. The non-executive directors and/or independent directors would also review the performance of Management in meetings. Where warranted, the non-executive directors and/or independent 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, 3.2 & 3.3	**Separation of the roles of the Chairman and the Chief Executive Officer ("CEO")** Mr Raymond Ng Ah Hua currently fulfilled the role of the Executive Chairman of the Company. As Chairman, he provides leadership to the Board. Besides giving guidance on the corporate direction of the Group, the role of the Chairman includes the approving the agendas of Board meetings and ensuring accurate, adequate and timely flow of information between the Board, management and shareholders of the Company. 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.

CORPORATE GOVERNANCE REPORT

Provisions	**Corporate Governance Practices of the Company**
	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 executive director, management and/or company secretary, acting as facilitator at Board meetings and maintaining regular dialogue with the Management on all operational matters. The Executive Chairman reviewed Board papers before they are presented to the Board and ensures that Board members are provided with adequate and timely information. The Company does not have the position of Chief Executive Officer and no CEO is proposed to be appointed. The CEO's responsibilities have been assumed by the existing Management staff who manages the business operations of the Group. In this sense, the Chairman and the CEO are separate person and their roles are segregated to ensure an appropriate balance and separation of power and authority, increased accountability and clear division of responsibilities. The Board has appointed Mr Samuel Poon Hon Thang, an independent and non-executive director, as a Lead Independent Director, ("**LID**"), who serves as the primary liaison between the board and management. He is responsible for facilitating the effective functioning of the board, ensuring that the Executive Chairman's role is appropriately balanced with the oversight role of the Board. He also provides feedback and advice to the Executive Chairman on governance matters. He will also be available to address shareholders' concerns when contact through the normal channels of the Executive Chairman and the Management has failed to provide a satisfactory resolution or when such contact is inappropriate.

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 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.

CORPORATE GOVERNANCE REPORT

Provisions	**Corporate Governance Practices of the Company**

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 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
(g) 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 FY2022

- Reviewed the Board's composition and size, Director's tenure, competencies and outside commitments, attendance, nomination of directors for appointment and/or re-election and the appointment and promotion of senior executives (if any);
- Reviewed the need to renew the Board by bringing in candidates with the requisite experience and in performing the aforesaid, give adequate consideration to the Company's Board Diversity Policy;
- 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;
- Oversight of directors' training programs, including sustainability training of all directors as prescribed under listing rules; and
- Reviewed the Director's independence criteria and assessment process.

4.2 **Composition of NC**

The NC, regulated by a set of written terms of reference, comprises three NEIDs as well as an Executive Director ("ED"). The Board is of the view that the inclusion of an ED in the NC would facilitate discussions at the NC meetings. The names of the members of the NC are disclosed in **Table 2**.

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.

CORPORATE GOVERNANCE REPORT

Provisions	**Corporate Governance Practices of the Company**

All newly appointed directors will have to retire at the next AGM following their appointments pursuant to Regulation 112 of the Company's Constitution (the "CC"). The retiring directors are eligible to offer themselves for re-election according to Regulation 107 of the CC. The following directors will retire in accordance with the Company's Constitution at the forthcoming AGM and have been re-nominated for re-election:

Mr Tan Kok Hiang	(retiring pursuant to Regulation 107)
Mr Samuel Poon Hon Thang	(retiring pursuant to Regulation 107)
Mr Adrian Toh Jia Sheng	(retiring pursuant to Regulation 112)

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.

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 above 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, Mr Samuel Poon Hon Thang and Dr Teo Ho Pin 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.

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.

CORPORATE GOVERNANCE REPORT

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. 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.

CORPORATE GOVERNANCE REPORT

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 also administer the share incentive schemes, if any. 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 four 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.

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 FY2022.

Summary of RC's activities in FY2022

- Reviewed the service agreement of Executive Chairman and ED;
- Reviewed the remuneration for Directors and Key Management Personnel;
- Reviewed the remuneration of employees who are substantial shareholders, or are immediate family members of a director, the CEO (if any) or substantial shareholder;
- Agreed with the variable bonus for employees of the Group;
- Reviewed the remuneration level for Non-executive Independent Directors ("NEID'); and
- Reviewed the proposed salary adjustment for management for FY2022 (if any).

CORPORATE GOVERNANCE REPORT

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.

<u>**Provisions**</u>	<u>**Corporate Governance Practices of the Company**</u>
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 FY2022 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, Dr Lai Huen Poh and Dr Teo Ho Pin. 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 and 28 September 2022, 5,445,944 and 4,000,000 ordinary shares were allotted to Mr Ng Ah Hua Raymond respectively and balance of 4,168,918 shares will be vested in 2023 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. A new "Enviro-Hub Share Award Scheme 2022" (the "**Scheme 2022**") was approved at the Extraordinary General Meeting ("EGM") on 28 April 2022 in which 22,994,930 of Share Awards were granted to Mr Raymond Ng Ah Hua pursuant to this scheme.
7.2	**Remuneration of non-executive directors dependent on contribution, effort, time spent and responsibilities** The NEDs and the NEIDs are remunerated under a framework of basic fees for serving on the Board and Board Committees. The ED of the Board also receives a nominal fee. Fees for NEDs, NEIDs and ED of the Board are subject to the approval of shareholders at the 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 (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 became 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.

CORPORATE GOVERNANCE REPORT

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 $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 FY2022. Regarding the 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.
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 $100,000 during FY2022.
8.3	**Details of Employee Share Award Scheme** The Company has a share incentive scheme known as the "Enviro-Hub Share Award Scheme" (the "Scheme") which was approved at the EGM of the Company held on 22 November 2012. However, the Scheme has a 10-year duration and was terminated at the EGM on 28 April 2022. A new "Enviro-Hub Share Award Scheme 2022" (the "Scheme 2022") was approved at the EGM on 28 April 2022 . Further details of the Scheme 2022 are set out above under Principle 7 and disclosed in the Directors' Statement. The Circular to Shareholders dated 6 April 2022 containing the detailed information on the Scheme 2022 is available to shareholders upon their request.

CORPORATE GOVERNANCE REPORT

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.

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.

CORPORATE GOVERNANCE REPORT

Provisions	**Corporate Governance Practices of the Company**
9.2	**Assurance from the Executive Chairman, ED, Head of Finance and other key management personnel** The Board has received assurance from (a) the Executive Chairman and the Head of Finance 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, ED 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 on half yearly basis to review the half year 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;
(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 FY2022 was $429,000 and $25,000 respectively. The AC has reviewed the non-audit services (sustainability reporting and corporate tax compliance services) provided by the external auditors to the Group in FY2022 and is satisfied that such services would not impair the independence of the external auditors in their conduct of the statutory audit.

CORPORATE GOVERNANCE REPORT

Provisions **Corporate Governance Practices of the Company**

As part of good corporate governance initiatives and the Company's ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the AC and the Board are of the view that it would be an opportune time to review the appointment of the auditors and appoint new auditors. In addition, a change of auditors will enable the Company to benefit from fresh perspectives and views of another professional audit firm, thus enhancing the value of the audit.

Following an evaluation of the available proposals from various audit firms which have experience in auditing publicly listed companies in Singapore, the Board, in consultation with the AC, has determined that Mazars LLP is best suited to meet the existing needs and audit requirements of the Company. The AC has considered, amongst others, the Audit Quality Indicators Disclosure Framework issued by ACRA, the adequacy of the resources and experience of Mazars LLP and the audit engagement partner assigned to the audit, other audit engagements of Mazars LLP, the Group's audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of Mazars LLP to be assigned to the audit, the fee structure and audit arrangements proposed by Mazars LLP, is of the opinion that Mazars LLP will be able to meet the audit requirements of the Group. As such, the Board has recommended the appointment of Mazars LLP as Auditors. The scope of audit services to be provided by Mazars LLP will be comparable to, and would not result in a reduction of the scope of audit services previously provided by KPMG LLP.

Whistleblowing Policy. The Group has put in place a whistleblowing policy where employees of the Group may, in confidence, raise concerns regarding possible corporate improprieties in matters of financial reporting and other matters. The policy establishes a confidential line of communication for the report of issues/concerns to any one of the AC members and provides for the protection of those who raise a concern in good faith against harassment or victimization. The complainant's identity shall also be kept confidential to the extent reasonably practical within the limits of the law.

The AC is the custodian of the policy and responsible for the overall oversight and monitoring of the policy and its implementation. The policy sets out the procedures and processes by which the AC assesses and reviews (in consultation with the Board of Directors and/or Management where appropriate or necessary) the nature of the complaint, the appropriate independent investigation to be conducted, the outcome of such investigation and the followed-up action to be taken. There was no reported incident pertaining to the whistleblowing policy in FY2022.

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.

Summary of AC's activities in FY2022

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;

CORPORATE GOVERNANCE REPORT

Provisions **Corporate Governance Practices of the Company**

(ix) evaluated proposed change of external auditors;
(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 – $62.2 million	The AC evaluated the qualifications, objectivity 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) and available industry data. 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.
Impairment of property, plant and equipment ("PPE")– $34.8 million, goodwill – $26.9 million and the Company's investment in subsidiaries – $61.8 million	The AC evaluated management's assessment of the existence of impairment indicators on the Group's PPE, goodwill and the Company's investments in subsidiaries. The AC reviewed management's assessment on the impairment of Piling cash generating unit ("**CGU**"), the adoption of fair value less cost of disposal method to determine the recoverable amount of the CGU and the appropriateness of the assumptions and estimates used by the independent valuer in determining fair value of the plant and equipment being valued. The AC reviewed management's assessment on the impairment of Healthcare CGU, the adoption of value-in-use ("VIU") method to determine the recoverable amount of the CGU and the appropriateness of the assumptions, judgements and estimates used in determining recoverable amount of the CGU being valued. As a result of the above procedures, the AC agrees with management that the identification of CGUs, assessment of impairment indicators, the assumptions, judgements and estimates used to determine the recoverable amounts of the Group's PPE, goodwill and the Company's investment in subsidiaries are appropriate.

CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Practices of the Company
Rule 1207(6), Rules 712 and 715 and/or Rule 716 of the SGX-ST Listing Manual	The Board and AC have reviewed the appointment of auditor, KPMG PLT, a member firm of KPMG LLP International for its subsidiary, Pastel Glove Sdn Bhd ("PGSB") and were satisfied that such appointment would not compromise the standard and effectiveness of the audit of the Group. Refer to Note 8 "Subsidiaries" of the Notes to the Financial Statements for further information. In appointing the audit firms for the Company, its subsidiaries and significant associated companies, the Audit Committee and the Board are satisfied that the Group has complied with Listing Rules 712, 715 and 716.
10.2	**Composition of AC** The AC, regulated by a set of written terms of reference, comprises four 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 four members namely Mr Tan Kok Hiang, Mr Samuel Poon Hon Thang, Dr Lai Huen Poh and Dr Teo Ho Pin, who have accounting or related financial management expertise or experience.
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, CLA Global TS Holdings 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 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.

CORPORATE GOVERNANCE REPORT

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

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.

Provisions	**Corporate Governance Practices of the Company**
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 AGM and EGM 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/EGM 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 AGM/EGMs. 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. The Annual Report, Notice of AGM/EGM, Circular/Appendix to the Annual Report ("**Appendix**") and Proxy form were made available to shareholders 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 (including the Chairpersons of the AC, NC and RC) are present and available to address shareholders' questions. In addition, the Company's external auditors, KPMG LLP have also been invited to attend the AGM/EGM 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 and EGM duly held on the same day on 28 April 2022. A record of the directors' attendance at AGM/EGM 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 1967 (the "**CA**"), a relevant intermediary (as defined in the CA) 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 2022 Annual General Meeting and Extraordinary General Meetings 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 formal dividend policy but the Board seeks to balance dividend return to shareholders with the need for long-term sustainable growth and the requirements for short term cash and capital expenditure requirements in proposing a dividend. The Directors recommended a final dividend (one-tier tax exempt) of $0.1 cents per ordinary share, amounting approximately to $1.5 million in respect of the financial year ended 31 December 2022 for approval by the shareholders at the next Annual General Meeting to be convened on 27 April 2023. Details of the dividend payment to shareholders are disclosed via the release of announcements through SGXNet.

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 views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations.

Investor relations (if any) and mechanism of communication between the shareholders and the Company

12.2 The Company's business developments and operations, financial reports, announcements, news releases and other information are posted on its corporate website at the URL http:/www.enviro-hub.com.

The Company has engaged Gem Comm Pte. Ltd. to assist the Company in handling the investor relations matters who focus on facilitating the communications with all stakeholders on a regular basis and attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance.

Under the Company's investor communication policy, the Company will meet with investors, the media and analysts at appropriate times and participates in investor roadshows, and sector conferences throughout the year. Upon the release of half-year and full-year financial results, the Company will hold media and analysts' briefings, when necessary.

CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Practices of the Company
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 SGX website and the Company's website – www.enviro-hub.com.

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 FY2022 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 pages 10 and 11 of the FY2022 Sustainability Report. The Company's business developments and operations, financial reports, announcements, news releases and other information are timely posted on its corporate website at the URL http:/www.enviro-hub.com. 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 and Futures Act 2001 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

Material Contracts

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

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 FY2022, 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 2023 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 $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 $100,000)
EH Property & Investments Pte Ltd	Director has interest in joint venture partner – BS Capital Pte. Ltd.	Shareholder's loan - $Nil (note 1)	–
AQL Trading Company Limited ("**AQLT**")	Director of a subsidiary has interest in AQLT	Commission income – $137,733 (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 2022, the Company has made a total repayment of $8,242,441 for the EH Property Shareholder's Loan.

(2) The subsidiary of the Company, PGSB, earned sales commission from AQLT.

CORPORATE GOVERNANCE REPORT

Rule 711A – 711B of the SGX-ST Listing Manual

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 will be releasing its FY2022 Sustainability Report (the "**SR**") which is aligned to SGX-ST's Listing Rules – Sustainability Reporting Guide. This SR will be issued together with Enviro-Hub's annual report and is publicly accessible through Enviro-Hub's website as well as on SGXNet.

TABLE 1 – ATTENDANCE AT BOARD, BOARD COMMITTEES AND ANNUAL GENERAL MEETINGS FOR FY2022

	Board of Directors		Nominating Committee		Audit Committee		Remuneration Committee		AGM	EGM	Attendance	
	Number of Meetings											
Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Attended**	**Attended**	**Total**	**%**
Mr Raymond Ng Ah Hua	2	2	1	1	2	2	1	1	1	1	8/8	100%
Mr Tan Kok Hiang	2	2	1	1	2	2	1	1	1	1	8/8	100%
Mr Samuel Poon Hon Thang	2	2	1	1	2	2	1	1	1	1	8/8	100%
Dr Lai Huen Poh	2	1	1	NA	2	1	1	0	1	1	4/7	57%
Dr Teo Ho Pin#	1	1	1	NA	1	1	1	NA	1	1	4/4	100%

Appointed as Non-Executive Independent Director on 8 March 2022

TABLE 2 – BOARD AND BOARD COMMITTEES

	Board	**Nominating Committee**	**Audit Committee**	**Remuneration Committee**
Non-Independent Directors				
Mr Raymond Ng Ah Hua (Executive)	Chairman	Member	–	–
Mr Adrian Toh Jia Sheng (Executive)^	Member	–	–	–
Dr 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
Dr Teo Ho Pin	Member	Member	Member	Member

^ Appointed as ED on 11 November 2022

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**
Mr Raymond Ng Ah Hua	58	28/10/2004	28/04/2022	Enviro-Hub Holdings Ltd	–	Full time employment with the Group
Mr Samuel Poon Hon Thang	73	26/09/2006	28/04/2021	1. Enviro-Hub Holdings Ltd 2. Soilbuild Construction Group Ltd 3. UOL Group Limited	–	–
Mr Tan Kok Hiang	72	21/05/1999	28/04/2021	1. Enviro-Hub Holdings Ltd 2. Iht Holdings Ltd 3. Abundante Limited 4. ICP Limited	–	–
Dr Lai Huen Poh	68	27/05/2008	28/04/2022	Enviro-Hub Holdings Ltd	Thomson Medical Group Ltd	Surbana Jurong Consultants Pte Ltd
Dr Teo Ho Pin	63	08/03/2002	28/04/2022	1. Enviro-Hub Holdings Ltd 2. ISOTeam Ltd 3. Tiong Seng Holdings Ltd 4. King Wan Corporation Ltd 5. Broadway Industrial Group Ltd	–	–
Mr Adrian Toh Jia Sheng	36	11/11/2022	NA	Enviro-Hub Holdings Ltd	–	Full time employment with the Group.

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 2022 is set out below:-

Name of Directors	Position	Breakdown of Remuneration in Percentage (%)					Actual Total Remuneration in Compensation Bands of $100,000
		Director's Fee	Salary	Bonus	Other Benefits	Total	
Mr Raymond Ng Ah Hua	ED	*	87%	7%	6%	100%	$700,001 – $800,000
Mr Adrian Toh Jia Sheng^	ED	–	76%	14%	10%	100%	$200,001 – $300,000
Mr Tan Kok Hiang	NEID	100%	–	–	–	100%	< $100,000
Mr Samuel Poon Hon Thang	NEID	100%	–	–	–	100%	< $100,000
Dr Teo Ho Pin#	NEID	100%	–	–	–	100%	< $100,000
Dr Lai Huen Poh	NED	100%	–	–	–	100%	< $100,000
The Aggregate Total Remuneration ($) of Directors		$168,581	$871,372	$89,573	$68,382	$1,197,908	
		14%	73%	7%	6%	100%	

* Nominal amount < 0.01%

Notes:-
ED: Executive Director
NEID: Non-Executive Independent Director
NED: Non-Executive Director
^: Appointed as ED on 11 November 2022
#: Appointed as NEID on 8 March 2022

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 2022 is set out below:-

Name of Key Management Personnel	Position	Breakdown of Remuneration in Percentage (%)				Actual Total Remuneration in Compensation Bands of $250,000
		Salary	Bonus	Other Benefits	Total	
Ms Katherine Hung Kam Han^	HOCM	74%	18%	8%	100%	< $250,000
Mr Lim Kheng Boon	SD	76%	10%	14%	100%	< $250,000
Mr Tan Boon Chye#	SD	71%	17%	12%	100%	< $250,000
Ms Tan Lay Mai*	CFO/SD	95%	NA	5%	100%	$250,001 – $500,000
Mr Aung Naing Moe@	SD	71%	NA	29%	100%	<$250,000
The Aggregate Total Remuneration ($) of Key Management Personnel		$608,280	$44,640	$74,611	$727,531	
		84%	6%	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
HOCM: Head of Change Management
CFO: Chief Financial Officer
^: Appointed as HOCM on 11 November 2022
#: Appointed as SD on 2 November 2022
*: Resigned on 2 November 2022
@: Resigned on 31 October 2022
NA: Resigned Directors are not entitled to Bonus

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 2022.

In our opinion:

(a) the financial statements set out on pages 49 to 123 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 2022 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 Companies Act 1967, 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
Dr Lai Huen Poh
Samuel Poon Hon Thang
Tan Kok Hiang
Dr Teo Ho Pin
Toh Jia Sheng (Appointed on 11 November 2022)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (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/date of appointment	Holdings at end of the year
Enviro-Hub Holdings Ltd.		
Ordinary shares		
Ng Ah Hua	430,878,264	436,868,764
Samuel Poon Hon Thang	923,333	923,333
Tan Kok Hiang	2,216,666	2,216,666
Dr Lai Huen Poh	3,681,108	3,681,108
Toh Jia Sheng	4,762,000	4,762,000

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 date of appointment if later, 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 2023.

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 28 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

(i) Enviro-Hub Share Award Scheme 2012

The Enviro-Hub Share Award Scheme (the 2012 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, Dr Lai Huen Poh and Dr Teo Ho Pin.

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)

(i) Enviro-Hub Share Award Scheme 2012 (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.

The 2012 scheme was terminated by its members at an Extraordinary General Meeting held on 28 April 2022. The share awards granted under the 2012 Scheme will continue to remain valid in accordance with the rules of the scheme.

(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 2022	Share awards vested	Balance as at 31 December 2022
Group Executive Chairman			
Mr Ng Ah Hua	8,168,918	(4,000,000)	4,168,918

DIRECTORS' STATEMENT

ENVIRO-HUB SHARE AWARD SCHEME (CONTINUED)

(i) Enviro-Hub Share Award Scheme 2012 (continued)

(d) Size of the 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.

Awards comprising 4,000,000 ordinary shares under the scheme were vested and allotted to Mr Ng Ah Hua on 28 September 2022.

As at 31 December 2022, 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.

(ii) Enviro-Hub Share Award Scheme 2022

Following the expiry of the Company's 2012 share award scheme, the Enviro-Hub Share Award Scheme (the 2022 Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 28 April 2022. The Scheme is administered by the Remuneration Committee, comprising Mr Tan Kok Hiang (Chairman), Mr Samuel Poon Hon Thang, Dr Lai Huen Poh and Dr Teo Ho Pin.

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)

(ii) Enviro-Hub Share Award Scheme 2022 (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. For the avoidance of doubt, the 8,168,918 Shares represented by the performance-linked share awards granted to Mr Ng Ah Hua under the 2012 Scheme that have not been vested as at the termination date, 28 April 2022 will be included in the calculations to ensure that the aggregate number of Shares delivered pursuant to Share Awards shall not exceed fifteen per cent. (15%) of the issued share capital of the Company (excluding treasury shares) from time to time. The total issued share capital of the Company (excluding treasury shares) would include the 8,168,918 Shares allotted to Mr Ng Ah Hua under the 2012 Scheme for the purpose of calculating the relevant size and limits of the 2022 Scheme. 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.

The Company intends to first issue and allot the 8,168,918 ordinary shares granted to Mr Ng Ah Hua under the 2012 Scheme, subject to the fulfilment of the performance criteria. Thereafter, the Company will grant the Share Awards representing 22,994,930 Shares under the 2022 Scheme to Mr Ng Ah Hua.

Award comprising 22,994,930 ordinary shares had not been granted to Mr Ng Ah Hua as at 31 December 2022.

DIRECTORS' STATEMENT

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
- Dr Lai Huen Poh, non-executive director
- Dr Teo Ho Pin, non-executive independent 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 and half-yearly 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).

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 has recommended to the Board of Directors that, Mazars LLP, be nominated for the appointment as auditors at the forthcoming Annual General Meeting.

In appointing our auditors of the Company, subsidiaries, and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manuals.

DIRECTORS' STATEMENT

AUDITORS

The retiring auditors, KPMG LLP, will not be seeking re-appointment. Mazars LLP has been nominated to be the auditor for the ensuing year. The appointment of Mazars LLP is subject to shareholders' approval at the forthcoming 2023 Annual General Meeting.

On behalf of the Board of Directors

Ng Ah Hua
Director

Toh Jia Sheng
Director

3 April 2023

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 2022, 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 49 to 123.

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 1967 ('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 2022 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.

Valuation of investment properties (Refer to Note 6 and Note 32 to the financial statements: Investment properties of $62.2million)	
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.

Impairment of property, plant and equipment (the 'PPE'), goodwill and the Company's investment in subsidiaries (Refer to Note 4, Note 5 and Note 7 to the financial statements: Property, plant and equipment of $34.8million, goodwill of $26.9million and investment in subsidiaries of $61.8million)	
The key audit matter	*How the matter was addressed in our audit*
Management has identified the existence of impairment indicators on the Group's PPE, goodwill and the Company's investments in subsidiaries in relation to the Piling and Healthcare cash generating units ('CGUs') due to losses incurred by these CGUs in the current year. Consequently, management conducted impairment assessment on these CGUs. Management applies the fair value less costs of disposal method to determine the recoverable amount of the Piling CGU. With respect to plant and machinery, there is an active secondary market for the second–hand plant and machinery. Where trade prices are used as the fair values, the external valuers considered the recent traded prices and incorporated relevant adjustments to arrive at the fair values for the plant and machinery on a comparable basis. These adjustments are judgmentally determined by the valuers considering the size, specifications and age of the plant and machinery. Based on management's assessment, the recoverable amounts of the plant and machinery in relation to the Piling CGU is higher than the carrying amount and no impairment is required on plant and machinery. The recoverable amounts of the Company's investments in subsidiary in relation to the Piling CGU is below the carrying amount. Consequently, the Company recognised an allowance for impairment loss of $691,000 for the CGU. Management applies the value-in-use ("VIU") method to determine the recoverable amounts of the Healthcare CGU. The CGU has limited track record of historical performance in this area and therefore the determination of the recoverable amounts involves high degree of judgement and is subject to significant estimation uncertainties. The VIU includes cashflows expected to be derived from the following key assumptions and occurrences of events: • The ability for the business to consistently meet the quality requirement of the higher-grade gloves and keep the rejection rates low. The CGU is expected to achieve economy of scale in the production of gloves with low rejection rates, and generate higher margins. • The ability for the business to gradually transition from manufacturing of commodity gloves to specialty gloves. • The ability for the business to expand from being an original equipment manufacturer to a retail business by leveraging distribution channels via the pharmacy chains in Malaysia.	Our procedures include the following: • We evaluated the appropriateness of CGU identified by management based on our understanding of the current business of the Group and the Company. • For the Piling CGU, we evaluated the competency, capability and objectivity of the independent valuer and held discussions with the external valuer to understand their valuation approaches; and we compared the external valuations against the market observable data and challenged the basis of those relevant adjustments incorporated by the valuers. • For the Healthcare CGU, we performed the follow procedures: – Performed a retrospective review on management forecast against historical performance to assess the reliability of management forecast process. – Assessed key assumptions used in the cash flow projections by comparing them against historical performance, future business plans and industry analysts' reports on the growth potential in the demand for glove industry. – Independently derived applicable discount rate from available industry data and compared to the rate used by management. – Performed independent test, focusing on plausible changes in key assumptions and analysed the impact to the carrying amounts. • We considered the adequacy of the disclosures in the financial statements relating to the impairment testing.

INDEPENDENT AUDITORS' REPORT

Members of the Company Enviro-Hub Holdings Ltd.

Impairment of property, plant and equipment (the 'PPE'), goodwill and the Company's investment in subsidiaries (Refer to Note 4, Note 5 and Note 7 to the financial statements: Property, plant and equipment of $34.8million, goodwill of $26.9million and investment in subsidiaries of $61.8million) (continued)	
The key audit matter	*How the matter was addressed in our audit*
• The forecasted revenue growth rate and average selling price growth rate are estimated based on past year's performance, the expectations of market developments and future business plans. In determining project margins for the CGU, the Group has considered CGU's historical margins, cost differentials of operating in different business plans, and benchmarked against the margins of its peer group. The outcome of the impairment assessment performed by the Group on property, plant and equipment, goodwill and the Company's investment in the subsidiary in Healthcare CGU shows that the recoverable amounts are in excess of the net carrying amounts.	
Our findings We found management's identification of CGUs and assessment for impairment indicators to be appropriate. The underlying adjustments used to determine the fair value less costs of disposal of the plant and machinery, the underlying assumptions and resulting estimates used to determine the recoverable amount of the plant and machinery in the Piling CGU and the related Company's cost of investments in the subsidiary, were within a reasonable range of outcomes. Although no impairment loss has been identified on the Healthcare CGU and the related Company's cost of investment in the subsidiary, the realisation of the recoverable amount is subject to the ability of the CGU to materialise its business strategies. The determination of the value in use involves a high degree of judgement and significant estimation uncertainties in view of the limited track record of historical performance of the Healthcare CGU. Actual results are likely to be different from the forecasted financial information since anticipated events frequently do not occur as expected and the variation could be material. Unfavourable changes to any of these assumptions could lead to lower operating cash flows and material impairment outcomes which might in turn adversely affect the financial position and performance of the Group. We found the disclosures describing the inherent degree of estimation uncertainties and the sensitivity of the assumptions applied to be appropriate.	

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.

INDEPENDENT AUDITORS' REPORT

Members of the Company Enviro-Hub Holdings Ltd.

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.

- 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.

INDEPENDENT AUDITORS' REPORT

Members of the Company Enviro-Hub Holdings Ltd.

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
3 April 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current assets					
Property, plant and equipment	4	34,821	35,825	132	116
Intangible assets	5	26,855	26,855	–	–
Investment properties	6	62,155	59,702	–	–
Subsidiaries	7	–	–	61,829	68,832
Investment in associate	8	1,830	–*	–	–
Trade and other receivables	10	–	2	–	–
		125,661	122,384	61,961	68,948
Current assets					
Assets held for sale	13	–	6,695	–	–
Inventories	11	7,863	6,894	–	–
Trade and other receivables	10	9,211	6,127	9,572	8,341
Cash and cash equivalents	12	15,543	15,273	5,549	2,602
		32,617	34,989	15,121	10,943
Total assets		158,278	157,373	77,082	79,891
Equity attributable to owners of the Company					
Share capital	14	127,008	126,820	127,008	126,820
Foreign currency translation reserve	15	81	107	–	–
Other reserve	16	(6,852)	(6,852)	–	–
Accumulated losses		(37,199)	(39,428)	(70,440)	(70,607)
		83,038	80,647	56,568	56,213
Non-controlling interests	17	999	(810)	–	–
Total equity		84,037	79,837	56,568	56,213
Non-current liabilities					
Loans and borrowings	18	52,564	20,636	22	32
Trade and other payables	19	2,717	4,350	–	1,807
Deferred tax liabilities	20	144	416	–	–
		55,425	25,402	22	1,839
Current liabilities					
Loans and borrowings	18	5,000	32,639	10	10
Bank overdrafts	12	202	–	–	–
Trade and other payables	19	13,573	19,477	20,482	21,829
Current tax payable		41	18	–	–
		18,816	52,134	20,492	21,839
Total liabilities		74,241	77,536	20,514	23,678
Total equity and liabilities		158,278	157,373	77,082	79,891

* Denotes amount < $1,000

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 2022

	Note	Group 2022 $'000	Group 2021 $'000
Continuing operations			
Revenue	21	44,109	40,423
Cost of sales		(38,214)	(31,213)
Gross profit		5,895	9,210
Other income	22	11,021	6,363
Selling and distribution expenses		(3,236)	(3,014)
General and administrative expenses		(4,990)	(4,989)
Reversal of impairment losses on trade and other receivables		10	69
Other operating expenses	23	(704)	(244)
Results from operating activities		7,996	7,395
Finance income	24	41	43
Finance costs	24	(1,849)	(2,320)
Net finance costs		(1,808)	(2,277)
Share of (loss)/profit of associate (net of tax)	8	(227)	516
Profit before taxation	25	5,961	5,634
Income tax credit/(expense)	26	214	(45)
Profit for the year		6,175	5,589
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		(26)	53
Other comprehensive income for the year		(26)	53
Total comprehensive income for the year		6,149	5,642
Profit attributable to:			
Owners of the Company		2,229	2,690
Non-controlling interests		3,946	2,899
Profit for the year		6,175	5,589
Total comprehensive income attributable to:			
Owners of the Company		2,203	2,565
Non-controlling interests		3,946	3,077
Total comprehensive income for the year		6,149	5,642
Earnings per share:			
Basic and diluted (cents)	27	0.15	0.21

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	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 2021	104,619	232	(6,852)	(42,118)	55,881	(3,887)	51,994
Total comprehensive income for the year							
Profit for the year	–	–	–	2,690	2,690	2,899	5,589
Other comprehensive income							
Translation differences relating to financial statements of foreign operations and a subsidiary with functional currency in foreign currency	–	(125)	–	–	(125)	178	53
Total other comprehensive income	–	(125)	–	–	(125)	178	53
Total comprehensive income for the year	–	(125)	–	2,690	2,565	3,077	5,642
Transactions with owners, recognised directly in equity							
Contribution by owners							
Issue of ordinary shares to acquire a subsidiary	22,201	–	–	–	22,201	–	22,201
Total contributions by owners	22,201	–	–	–	22,201	–	22,201
At 31 December 2021	126,820	107	(6,852)	(39,428)	80,647	(810)	79,837

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	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 2022	126,820	107	(6,852)	(39,428)	80,647	(810)	79,837
Total comprehensive income for the year							
Profit for the year	–	–	–	2,229	2,229	3,946	6,175
Other comprehensive income							
Translation differences relating to financial statements of foreign operations and a subsidiary with functional currency in foreign currency	–	(26)	–	–	(26)	–	(26)
Total other comprehensive income	–	(26)	–	–	(26)	–	(26)
Total comprehensive income for the year	–	(26)	–	2,229	2,203	3,946	6,149
Transactions with owners, recognised directly in equity							
Contribution by and distributions to owners							
Dividends paid to non-controlling interests (Note 14)	–	–	–	–	–	(2,137)	(2,137)
Share-based payment transactions	188	–	–	–	188	–	188
Total transactions with owners	188	–	–	–	188	(2,137)	(1,949)
At 31 December 2022	127,008	81	(6,852)	(37,199)	83,038	999	84,037

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Cash flows from operating activities			
Profit for the year		6,175	5,589
Adjustments for:			
Reversal of impairment losses on trade and other receivables		(10)	(69)
Bad debts written off	23	–	13
Allowance/(reversal of allowance) for write-down of inventories	11	1,547	(239)
Compensation receivable from a director of a subsidiary	10	(3,070)	–
Depreciation of property, plant and equipment	4	3,796	3,196
Fair value gain on investment properties	6	(6,008)	(2,225)
Gain on disposal of investment properties	6	(844)	(2,929)
Fair value loss/(gain) on precious metal	23	196	(101)
Finance costs	24	1,849	2,320
Finance income	24	(41)	(43)
Gain on disposal of property, plant and equipment	22	(299)	(55)
Impairment losses on property, plant and equipment	23	–	96
Inventories written off	25	45	–
Loss on disposal of a subsidiary	23	–	86
Loan waiver from a director	22	(132)	–
Income tax (credit)/expense	26	(214)	45
Property, plant and equipment written off	23	12	12
Reversal of onerous contract	25	(5)	(34)
Equity-settled share-based payment transactions	23	188	–
Share of loss/(profit) of associates	8	227	(516)
		3,412	5,146
Changes in working capital:			
Inventories		(2,942)	(1,110)
Trade and other receivables		(118)	(63)
Trade and other payables		1,553	(499)
Cash generated from operating activities		1,905	3,474
Income taxes paid		(19)	(6)
Net cash from operating activities		1,886	3,468

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,980)	(1,326)
Interest received	24	41	43
Acquisition of a subsidiary, net of cash acquired	30	–	(4,777)
Investment in an associate	8	(2,057)	(166)
Loan to an associate		–	(6,488)
Disposal of a subsidiary, net of cash disposed of	30	–	(70)
Proceeds from disposal of property, plant and equipment		408	73
Proceeds from disposal of investment properties		6,695	62,533
Proceeds from disposal of assets held for sales		4,399	–
Net cash from investing activities		6,506	49,822
Cash flows from financing activities			
Pledge of fixed deposits		(150)	(59)
Dividends paid to non-controlling interests		(2,137)	–
Interest paid		(1,713)	(2,245)
Proceeds from loan from a director of a subsidiary		1,447	–
Repayment to non-controlling interests		(7,919)	(6,792)
Repayment of loan to a shareholder		(1,800)	–
Repayment of lease liabilities		(889)	(800)
Proceeds from/(repayment of) short-term loans and borrowings		583	(230)
Proceeds from/(repayment of) long-term loans and borrowings		4,194	(45,226)
Net cash used in financing activities		(8,384)	(55,352)
Net increase/(decrease) in cash and cash equivalents		8	(2,062)
Cash and cash equivalents at 1 January		13,734	15,771
Effect of exchange rate fluctuations on cash held		(90)	25
Cash and cash equivalents at 31 December	12	13,652	13,734

Non-cash transactions

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $3,013,000 (2021: $1,368,000), of which $33,000 (2021: $42,000) were acquired under finance leases.

On 27 October 2021, 292,500,000 ordinary shares were issued at $0.076 per share as consideration for the acquisition of the subsidiary, Pastel Glove Sdn. Bhd.

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2022

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

	Loans and borrowings (Note 18)			Trade and other payables (Note 19)			
	Bank loans $'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 2021	90,676	1,204	6,443	14,711	1,800	1,676	116,510
Changes from financing cash flows							
Repayment to non-controlling interests	–	–	–	(6,792)	–	–	(6,792)
Repayment of lease liabilities	–	–	(800)	–	–	–	(800)
Repayment of long-term loans and borrowings	(45,226)	–	–	–	–	–	(45,226)
Repayment of short-term loans and borrowings	–	(230)	–	–	–	–	(230)
Interest paid	(1,911)	(26)	(215)	–	(89)	(4)	(2,245)
Total changes from financing cash flows	(47,137)	(256)	(1,015)	(6,792)	(89)	(4)	(55,293)
Other changes							
New leases	–	–	712	–	–	–	712
Acquisition through business combination (Note 30)	–	–	556	–	–	–	556
Disposals	–	–	(60)	–	–	–	(60)
Changes in other payables	(75)	–	–	–	–	681	606
Interest expenses	1,986	26	215	–	89	4	2,320
Total liabilities related other changes	1,911	26	1,423	–	89	685	4,134
Balance as at 31 December 2021	45,450	974	6,851	7,919	1,800	2,357	65,351

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2022

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

	Loans and borrowings (Note 18)			Trade and other payables (Note 19)				
	Bank loans $'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**	**Other payables $'000**	**Total $'000**
Balance as at 1 January 2022	45,450	974	6,851	7,919	1,800	2,357	3,504	68,855
Changes from financing cash flows								
Proceeds from loan from a director of a subsidiary	–	–	–	–	–	–	1,447	1,447
Repayment to non-controlling interests	–	–	–	(7,919)	–	–	–	(7,919)
Repayment of loan to a shareholder	–	–	–	–	(1,800)	–	–	(1,800)
Repayment of lease liabilities	–	–	(889)	–	–	–	–	(889)
Proceeds from long-term loans and borrowings	4,194	–	–	–	–	–	–	4,194
Proceeds from short-term loans and borrowings	–	583	–	–	–	–	–	583
Interest paid	(1,372)	(57)	(237)	–	(45)	(2)	–	(1,713)
Total changes from financing cash flows	2,822	526	(1,126)	(7,919)	(1,845)	(2)	1,447	(6,097)
The effect of changes in foreign exchange rates	6	(25)	(38)	–	–	–	(207)	(264)
Other changes								
New leases	–	–	470	–	–	–	–	470
Disposals	–	–	(12)	–	–	–	–	(12)
Changes in other payables	(123)	(13)	–	–	–	143	(123)	(116)
Interest expenses	1,495	70	237	–	45	2	–	1,849
Total liabilities related other changes	1,372	57	695	–	45	145	(123)	2,191
Balance as at 31 December 2022	49,650	1,532	6,382	–	–	2,500	4,621	64,685

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 3 April 2023.

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 2022 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, investment holding, manufacturing and trading of rubber gloves.

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.

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, 5, 7 – estimation of recoverable amounts of property, plant and equipment, intangible assets and investments in subsidiaries
- Note 11 – estimation of net realisable value of inventories
- Note 30 – fair value determination of identifiable assets and liabilities
- Note 31 – measurement of expected credit loss ('ECL') allowance for trade and other receivables
- Note 32 – fair value determination of investment properties

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

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 32.

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 2022:

- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)*
- *Reference to the Conceptual Framework (Amendment to SFRS(I) 3)*
- *Property, plant and equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*
- *Onerous Contracts – Cost of fulfilling a contract (Amendments to SFRS (I) 37)*
- *Annual Improvements to SFRS(I)s 2018 - 2020*

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(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.

(iii) Investments in equity-associated investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of that investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the associate's operations or has made payments on behalf of the associate.

(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 and associates in separate financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 date are translated 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 translated 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.

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.

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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (Continued)

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.

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 50 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

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Intangible assets (Continued)

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.

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 2022

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 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 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 2022

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 2022

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; and
- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

General approach (Continued)

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 concession(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

Non-financial assets (Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised of goodwill is not reversed. In respect of other assets, 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.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

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 and rubber gloves) 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. In the case of work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 plans are recognised in profit or loss in the periods during which related services are rendered by employees.

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 vesting period of 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 losses.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Provisions (Continued)

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 losses on the assets associated with that contract.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Revenue (Continued)

Construction contracts (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leases (Continued)

As a lessee (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leases (Continued)

As a lessor (Continued)

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

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 are 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Tax (Continued)

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;
- 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; and
- taxable temporary differences arising on the initial recognition of goodwill.

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, and the Group 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 2022

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, plant and equipment, cash and cash equivalents, other receivables, loans and borrowings, corporate expenses, finance income, finance costs and income tax expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

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 2022 and earlier application is permitted. The Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The new SFRS(I)s, interpretations and amendments to SFRS(I)s are as follow:

- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1-12)
- *Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information* (Amendments to SFRS(I) 17)
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Non-current Liabilities with Covenants* (Amendments to SFRS(I) 1-1)
- *Lease liability in a sale and leaseback* (Amendments to SFRS(I) 1-16)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures)*

The Group plans to adopt the standards when it becomes effective. The Group is currently evaluating the impact of new standards on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 2021	33,513	31,860	1,543	173	1,554	2,087	19,414	90,144
Acquisition through business combination (Note 30)	858	4,918	12	722	22	–	1,516	8,048
Additions	729	497	77	65	111	36	640	2,155
Disposals	(572)	(313)	(12)	–	(76)	–	(4,074)	(5,047)
Write offs	–	(487)	–	(6)	(25)	(4)	–	(522)
Effect of movement in exchange rates	(5)	116	8	(4)	9	18	(18)	124
At 31 December 2021	34,523	36,591	1,628	950	1,595	2,137	17,478	94,902
At 1 January 2022	34,523	36,591	1,628	950	1,595	2,137	17,478	94,902
Additions	457	1,651	339	260	151	74	518	3,450
Disposals	–	(1,062)	(271)	–	(20)	–	–	(1,353)
Write offs	–	(457)	(14)	–	(11)	–	–	(482)
Reclassification	140	1,166	–	288	24	2	(1,620)	–
Effect of movement in exchange rates	(65)	(422)	(3)	(64)	(11)	(5)	(54)	(624)
At 31 December 2022	35,055	37,467	1,679	1,434	1,728	2,208	16,322	95,893
Accumulated depreciation and impairment loss								
At 1 January 2021	10,421	27,299	1,326	143	1,387	1,132	19,414	61,122
Depreciation charge for the year	1,653	1,072	77	23	74	297	–	3,196
Disposals	(537)	(307)	–	–	(51)	–	(4,074)	(4,969)
Write offs	–	(477)	–	(4)	(25)	(4)	–	(510)
Impairment losses	–	96	–	–	–	–	–	96
Effect of movement in exchange rates	–*	125	5	1	8	11	(8)	142
At 31 December 2021	11,537	27,808	1,408	163	1,393	1,436	15,332	59,077
At 1 January 2022	11,537	27,808	1,408	163	1,393	1,436	15,332	59,077
Depreciation charge for the year	1,871	1,324	86	136	92	287	–	3,796
Disposals	–	(1,032)	(192)	–	(11)	–	–	(1,235)
Write offs	–	(450)	(9)	–	(11)	–	–	(470)
Effect of movement in exchange rates	(6)	(66)	(1)	(8)	(8)	(7)	–	(96)
At 31 December 2022	13,402	27,584	1,292	291	1,455	1,716	15,332	61,072
Carrying amounts								
At 1 January 2021	23,092	4,561	217	30	167	955	–	29,022
At 31 December 2021	22,986	8,783	220	787	202	701	2,146	35,825
At 31 December 2022	21,653	9,883	387	1,143	273	492	990	34,821

* Denotes amount < $1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles $'000	Office equipment $'000	Construction-in-progress $'000	Total $'000
Company				
Cost				
At 1 January 2021	184	368	–	552
Additions	–	59	1	60
Disposals	–	(50)	–	(50)
At 31 December 2021	184	377	1	562
At 1 January 2022	184	377	1	562
Additions	16	38	–	54
Disposals	(6)	–	–	(6)
Write offs	–	(2)	–	(2)
At 31 December 2022	194	413	1	608
Accumulated depreciation				
At 1 January 2021	115	331	–	446
Depreciation charge for the year	12	23	–	35
Disposals	–	(35)	–	(35)
At 31 December 2021	127	319	–	446
At 1 January 2022	127	319	–	446
Depreciation charge for the year	13	25	–	38
Disposals	(6)	–	–	(6)
Write offs	–	(2)	–	(2)
At 31 December 2022	134	342	–	476
Carrying amounts				
At 1 January 2021	69	37	–	106
At 31 December 2021	57	58	1	116
At 31 December 2022	60	71	1	132

Security

At 31 December 2022, various property, plant and equipment of the Group with the following carrying amounts were pledged to secure bank loans and borrowings (see Note 18):

	Group	
	2022 $'000	2021 $'000
Term loans:		
– Leasehold properties	15,351	16,351
– Plant and machinery	–	520
Lease liabilities:		
– Motor vehicles	131	105
– Plant and machinery	676	720
	16,158	17,696

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment of property, plant and equipment

The Group reviews the carrying amount of these 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 Piling and Healthcare CGU.

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

Piling CGU

Due to continued losses incurred by the Piling CGU, management assessed that there were indicators of impairment for the Piling CGU in the current year.

Management has estimated the recoverable amounts of the plant and machinery in Piling CGU based on fair value less costs of disposal approach. Under the market approach, the fair values were based on independent appraisals undertaken by a professional valuer at the reporting date.

As a result of determination of recoverable amounts, no impairment loss (2021: $96,000) was recognised on plant and machinery in Piling CGU. In 2021, the impairment loss was recognised under "Other operating expenses" in the consolidated statement of profit or loss.

The fair value measurement is categorised as Level 3 under the fair value hierarchy (see Note 32). 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
Crane and piling machinery	Market comparison technique	Comparing the machineries 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 technique	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.

Healthcare CGU

Due to the losses incurred by the Healthcare CGU and the actual financial performance is worse than expected in the current year, management assessed that there were indicators of impairment for the Healthcare CGU in the current year.

The recoverable amount of the Healthcare CGU was determined based on value-in-use calculations. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the real gross domestic product rates in Malaysia, where the CGU operates. The cash flow projections of next five years are based on management's assessment of future trends and actual operating results.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Group 2022	Healthcare CGU %
5 years compounded sales volume growth rate	11.8
5 years compounded average selling price (ASP) growth rate	13.0
Average gross profit margin	20.2
Pre-tax discount rate	16.4
Terminal value growth rate	4.4

The cashflow in the projection period are primarily driven by and sensitive to the following key assumptions:

- The ability of the business to consistently meet the quality requirement of the higher-grade gloves and keep the rejection rates low. The CGU is expected to achieve economy of scale in the production of gloves with low rejection rates, and generate higher margins.

- The ability for the business to gradually transition from manufacturing of commodity gloves to specialty gloves.

- The ability for the business to expand from being an original equipment manufacturer to a retail business by leveraging distribution channels via the pharmacy chains in Malaysia.

- The forecasted revenue growth rate and ASP growth rate are estimated based on past year's performance, the expectations of market developments and future business plans.

- The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital calculated using the historical industry average cost of capital.

As at 31 December 2022, no impairment was required for the carrying amount of Healthcare CGU as the recoverable amounts were more than the carrying amounts.

The underlying future business plans assumed in the discounted cash flows are, however, subject to estimation uncertainties that may have a significant risk of resulting in material adjustments in future periods. Changes in the business plans and market outlook in the near term could lead to material impact on the CGU's financial performance.

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 assesses 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 fair value less costs of disposal calculation is based on available data from binding sales transaction, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset, net of certain adjustments made for the specifications of the asset. Changing the adjustments made could materially affect the fair value less costs of disposal and recoverable amounts and hence, the Group's financial condition and results of operations.

When value-in-use calculations are undertaken, the use of future cash flows involves judgement and estimates. Significant changes in market outlook, business strategies 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 2022

5. INTANGIBLE ASSETS

	Group	
	Goodwill $'000	Patented technology $'000
Cost		
At 1 January 2021	–	4,600
Acquisition through business combination (Note 30)	26,855	–
At 31 December 2021 and 31 December 2022	26,855	4,600
Accumulated amortisation and impairment loss		
At 1 January 2021, 31 December 2021 and 31 December 2022	–	4,600
Carrying amounts		
At 1 January 2021, 31 December 2021 and 31 December 2022	26,855	–

Impairment of goodwill

The goodwill is allocated to Healthcare CGU, arose from the acquisition of Pastel Glove Sdn. Bhd. ("PGSB"). The goodwill is attributable mainly to the skills and technical talent of PGSB's work force in the healthcare business.

Management estimated the recoverable amounts of the Healthcare CGU based on its value-in-use. The recoverable amount of the CGU was determined based on key assumptions disclosed in Note 4.

As at 31 December 2022, no impairment was required for the carrying amount of goodwill as the recoverable amounts were in excess of their carrying amounts.

6. INVESTMENT PROPERTIES

		Group	
	Note	2022 $'000	2021 $'000
At 1 January		59,702	116,503
Fair value gain	22	6,008	2,225
Gain on disposal	22	844	2,929
Reclassed to assets held for sale	13	–	(6,695)
Disposals of strata units		(4,399)	(55,260)
At 31 December		62,155	59,702

Investment properties comprise a number of freehold industrial properties that are leased to third parties. Generally, each of the leases contains an initial non-cancellable period of 1 to 3 years. Subsequent renewals are negotiated with the lessee and on average, the renewal period is 1 to 3 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". The fair value measurement of the investment properties is disclosed in Note 32.

Security

Investment properties are pledged as security to secure bank loans and borrowings (see Note 18).

Amounts recognised in profit or loss

Rental income recognised by the Group in 2022 was $1,773,000 (2021: $2,411,000) and were included in 'revenue' (see Note 21). Direct operating expenses of $540,000 (2021: $1,209,000) were included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

7. SUBSIDIARIES

	Company	
	2022	2021
	$'000	$'000
Unquoted equity shares, at cost	221,871	221,871
Impairment loss	(196,769)	(196,078)
	25,102	25,793
Loans to subsidiaries	36,727	43,039
	61,829	68,832

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.

Piling CGU

Due to continued losses incurred by the Piling CGU, management estimated the recoverable amounts of the subsidiary based on the recoverable amounts of net assets owned by the subsidiary, which comprise predominantly plant and machinery whose recoverable amounts were estimated using the fair value less cost of disposal. Based on management's assessment, impairment loss of $691,000 was recognised as at 31 December 2022 (2021: nil) as the recoverable amounts assessed were less (2021: more) than the carrying amounts of the investment in subsidiary.

Healthcare CGU

Due to the losses incurred by the Healthcare CGU and the actual financial performance is worse than expected in the current year, management estimated the recoverable amounts of the Healthcare CGU based on its value-in-use. The recoverable amount of the CGU is determined based on key assumptions disclosure in Note 4. Based on management's assessment, there is no impairment loss as at 31 December 2022 as the recoverable amounts assessed were more than the carrying amounts of the investment in subsidiary.

Loans to subsidiaries form part of the Company's net investments in the subsidiaries. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

7. SUBSIDIARIES (CONTINUED)

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Principal places of business/ Country of incorporation	Effective equity interest held by the Group 2022 %	2021 %
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-Power Pte. Ltd.[1,3]	Converting plastics to fuel and investment holding	Singapore	39	39
Enviro Property Pte. Ltd.[1]	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
Enviro Healthcare Pte. Ltd.[1]	Investment holding	Singapore	100	100
<u>Held by Leong Hin Piling Pte Limited</u>				
Leong Hin Builders Pte. Ltd.[1]	Building and construction related engineering and technical services	Singapore	100	100
<u>Held by EH Property & Investments Pte. Ltd.</u>				
QF Properties Pte. Ltd.[1]	Investment holding	Singapore	51	51
<u>Held by QF Properties Pte. Ltd.</u>				
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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

7. SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal activities	Principal places of business/ Country of incorporation	Effective equity interest held by the Group 2022 %	2021 %
Held by HLS Environmental Pte. Ltd.				
HLS Property Pte. Ltd.[1]	Property holding	Singapore	100	100
Held by Enviro Healthcare Pte. Ltd.				
Pastel Glove Sdn. Bhd.[4]	Manufacturing and trading of rubber gloves	Malaysia	100	100

1 Audited by KPMG LLP, Singapore.
2 Dormant.
3 This entity is classified as a subsidiary of the Group as management has determined that the Group controls the entity. Although the Group owns less than half of the entity, the Group holds more than half of the voting power of the entity by virtue of an agreement with its other investors. Based on the terms of agreements under which the entity is established, the Group has the ability to direct the entity's activities that most significantly affect its returns.
4 Audited by member firm of KPMG LLP International.

8. INVESTMENT IN ASSOCIATE

On 12 January 2021, the Group entered into a subscription and loan agreement with Pastel Glove Sdn. Bhd. ("PGSB") to expand its investments in technology and on the solutions for healthcare products. Pursuant to the Agreement, the Group subscribed to 500,000 ordinary shares equivalent to 25% of equity interest in PGSB for a subscription price of US$125,000 (equivalent to $165,000) and granted a shareholder loan of US$4,875,000 (equivalent to $6,488,000) to PGSB.

On 27 October 2021, the Group's equity interest in PGSB increased from 25% to 100% and PGSB became a subsidiary from that date (see Note 30).

From significant influence (25%) to controlled entity (100%), the accounting is to treat a deemed disposal of the 25% interest and an acquisition of 100% interest in PGSB. See Note 30 for details of the accounting of the 100% interest in PGSB.

On 8 December 2021, the Group through its wholly owned subsidiary, PGSB incorporated a company, Pastel Care Sdn. Bhd. ("PCSB") with an initial paid-up capital of RM10 (equivalent to $3) where the Group invested 40% of the issued and paid-up capital of PCSB for a total consideration of RM4 (equivalent to $1).

On 17 March 2022, PCSB increased its paid-up capital and share capital to RM1,800,000 (equivalent to $566,000) by allotment of 1,800,000 ordinary shares. PGSB has subscribed 719,996 ordinary shares equivalent to 40% equity interest in PGSB for cash consideration of RM719,996 (equivalent to $227,000).

On 17 December 2022, PCSB issued 6,008,889 redeemable convertible preference shares to PGSB by way of capitalising the shareholder loan of RM6,009,000 (equivalent to $1,830,000). PCSB is immaterial to the Group as at 31 December 2022 and 31 December 2021.

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Year ended 31 December 2022

8. INVESTMENT IN ASSOCIATE (CONTINUED)

Details of the associate as at reporting date are as follow:

Name of associate	Principal activity	Principal places of business/ Country of incorporation	Effective equity interest held by the Group 2022 %	2021 %
Pastel Care Sdn. Bhd. ("PCSB")	Retail sale of pharmaceuticals, medical and orthopaedic goods	Malaysia	40	40

The following summarises, in aggregate, the financial information of PCSB for the year (2021: PGSB for the period from 12 January 2021 to 27 October 2021) based on the financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2022 $'000	2021 $'000
Revenue	1,285	5,688
Loss from continuing operations	827	2,065
Group's interest in net assets of investee at beginning of the year	–*	–
Addition during the year	2,057	166
Group's share of (loss)/profit from operations	(227)	516
Deemed disposal of the 25% interest during the year	–	(682)
Carrying amount of interest in investee at end of the year	1,830	–*

* Denotes amount < $1,000

9. 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 activity	Principal places of business/ Country of incorporation	Effective equity interest held by the Group 2022 %	2021 %
<u>Held by Leong Hin Builders Pte. Ltd.</u>				
SB Procurement Pte Ltd	Property developer	Singapore	40	40

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

10. TRADE AND OTHER RECEIVABLES

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Trade receivables		2,789	2,476	–	–
Impairment losses		(2)	(2)	–	–
		2,787	2,474	–	–
Contract assets	21	285	1,263	–	–
Impairment losses	21	(17)	(113)	–	–
		268	1,150	–	–
Amounts due from subsidiaries:					
– interest bearing loans	(ii)	–	–	5,500	5,988
– non-interest bearing loans		–	–	1,915	1,245
– trade		–	–	725	539
– non-trade		–	–	1,710	986
Impairment losses		–	–	(295)	(441)
		–	–	9,555	8,317
Deposits		1,461	1,438	–	–
Amount due from a director of a subsidiary	(iii)	3,070	–	–	–
Other receivables		1,465	897	–*	–
Impairment losses		–	–*	–	–
		4,535	897	–*	–
Financial assets at amortised cost		9,051	5,959	9,555	8,317
Prepayments		160	170	17	24
		9,211	6,129	9,572	8,341

* Denotes amount < $1,000

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Representing:					
Non-current	(i)	–	2	–	–
Current	(i)	9,211	6,127	9,572	8,341
		9,211	6,129	9,572	8,341

(i) As at 31 December 2022, non-current and current trade and other receivables of the Group include retention sums of nil and $469,000 (2021: $2,000 and $577,000) respectively.

(ii) The interest-bearing amounts due from subsidiaries are unsecured, bear interest rates at 2.00% (2021: 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.

(iii) On 27 October 2021, the Group entered into a Sales and Purchase agreement for the acquisition of PGSB (Note 30). Based on the Sales and Purchase agreement, the selling shareholder, who also serves as the director of PGSB, is liable to make payment to PGSB of an amount equal to the adjusted net loss after tax incurred by PGSB for the financial year under the profit guarantee period from 1 January 2022 to 31 December 2024. PGSB incurred an adjusted net loss after tax of $3,070,000 as at 31 December 2022. The Group recognised an other income of $3,070,000 representing the amount to be recovered from the director. As at 31 December 2022, the amount is recorded as other receivables and expected to be set-off against the amount due to the same director (Note 19) within the next 12 months.

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 31.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

11. INVENTORIES

	Group	
	2022 $'000	2021 $'000
Trading inventories	6,163	3,684
Precious metal measured at fair value	1,151	1,870
Raw materials and consumables	194	627
Work-in-progress	355	713
	7,863	6,894

During the year, inventories of $26,059,000 (2021: $19,047,000) 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 an allowance for write-down of inventories of $1,547,000 (2021: a reversal of allowance for write down of inventories of $239,000). The allowance/reversals were included in the cost of sales.

Source of estimation uncertainty

The net realisable value represents management's best estimate of the recoverable amount which involves significant management judgement. Management considers the latest selling price, age of these inventories and prevailing market conditions in the industry as part of its inventory obsolescence assessment process. The write-down required could change significantly if business and market conditions deviate from management's expectations.

12. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash and bank balances		5,206	13,734	549	2,602
Deposits with financial institutions		10,337	1,539	5,000	–
Cash and cash equivalents in the statement of financial position		15,543	15,273	5,549	2,602
Bank overdrafts		(202)	–	–	–
Deposits pledged	18	(1,689)	(1,539)	–	–
Cash and cash equivalents in the consolidated statement of cash flows		13,652	13,734	5,549	2,602

The effective interest rates relating to deposits with financial institutions at 31 December 2022 for the Group range between 0.24% to 5.38% (2021: 0.20% to 0.40%). 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 borrowings (see Note 18).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

13. ASSETS HELD FOR SALE

In 2021, management committed to a plan to sell three strata units of an investment property held by subsidiaries of the Group. Accordingly, the three strata units were classified as assets held for sale and disclosed separately in the consolidated statement of financial position as at 31 December 2021. The sales of three strata units were completed in 2022. Immediately before classification as held for sale, the strata units were remeasured and a gain of $1,168,000 was recognised in profit or loss. Thereafter, the strata units are measured at fair value less cost to sell of $6,695,000 as at 31 December 2021. The fair value measurement of the strata unit is disclosed in Note 32.

14. SHARE CAPITAL

	Group and Company	
	Number of shares 2022 '000	**Number of shares 2021 '000**
Fully paid ordinary shares, with no par value:		
At 1 January	1,532,995	1,240,495
Issuance of ordinary shares	4,000	292,500
At 31 December	1,536,995	1,532,995

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 27 October 2021, 292,500,000 ordinary shares were issued at $0.076 per share as consideration for the acquisition of PGSB (Note 30).

On 28 September 2022, 4,000,000 ordinary shares were allotted to Mr Ng Ah Hua, a Controlling Shareholder and Director of the Company under Share Award Scheme 2012.

The Company did not hold any outstanding convertibles and treasury shares as at 31 December 2022 and 31 December 2021. The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022 and 31 December 2021.

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 2022

14. SHARE CAPITAL (CONTINUED)

Share Award Scheme 2012

The Enviro-Hub Share Award Scheme 2012 (the 2012 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 2012 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.

The 2012 scheme was terminated by its members at an Extraordinary General Meeting held on 28 April 2022. Out of the 13,614,862 Share awards granted by the Company to Mr Ng Ah Hua under the 2012 Scheme, there are 8,168,918 ordinary shares that have not been vested as at 28 April 2022. However, under the rules of the 2012 Scheme, the termination of the 2012 Scheme does not affect share awards that have been granted, whether such share awards have been released (whether fully or partially) or not. As such, the share awards granted to Mr Ng Ah Hua under the 2012 Scheme will continue to remain valid.

On 28 September 2022, the remuneration committee reviewed the previous Performance Conditions and revised the Performance Conditions for Mr Ng Ah Hua to meet for 4,000,000 ordinary shares granted to him under the 2012 Scheme. The Revised Performance Conditions shall supersede and replace all previous Performance Conditions imposed on the outstanding share awards granted under the 2012 scheme. Awards comprising 4,000,000 ordinary shares were entitled to Mr Ng Ah Hua for the financial year ended 31 December 2022 under the scheme were allotted during the year.

Pursuant to allotment of 4,000,000 ordinary shares, the Performance Conditions of the outstanding 4,168,918 ordinary shares granted under the 2012 Scheme will be considered and determined by the Remuneration Committee in due course. Award comprising 4,168,918 ordinary shares had not been vested as at 31 December 2022.

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

Year ended 31 December 2022

14. SHARE CAPITAL (CONTINUED)

Share Award Scheme 2022

The Enviro-Hub Share Award Scheme 2022 (the 2022 Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 28 April 2022.

Pursuant to the 2022 Scheme, the Company intends to first issue and allot the 8,168,918 ordinary shares granted to Mr Ng Ah Hua under the 2012 Scheme, subject to the fulfilment of the Performance Conditions. Thereafter, the Company will grant the Share Awards representing 22,994,930 Shares under the 2022 Scheme to Mr Ng Ah Hua.

Award comprising 22,994,930 ordinary shares had not been granted to Mr Ng Ah Hua as at 31 December 2022.

Dividends

The following exempt (one-tier) dividends were declared and paid by the Group:

For year ended 31 December

	Group 2022 '000
Paid by subsidiaries to NCI	
$0.36 per qualifying ordinary share	198
$3.96 per qualifying ordinary share	1,939
	2,137

After the reporting date, the following exempt (one-tier) dividend was proposed by the directors. The exempt (one-tier) dividends have not been provided for and is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

	Group and Company 2022 '000
$0.001 per qualifying ordinary share	1,536

15. 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.

16. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

17. 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 2022 %	2021 %
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.

	EH Property & Investments Pte. Ltd. $'000	Enviro-Power Pte. Ltd. $'000	HLS Environmental Pte. Ltd. $'000	Intra-group eliminations $'000	Total $'000
31 December 2022					
Revenue	1,792	–	9,541		
Profit/(loss)	6,579	(25)	3,932		
Total comprehensive income	6,579	(25)	3,932		
Attributable to NCI:					
– Profit/(loss)	3,223	(15)	777	(39)	3,946
– Total comprehensive income	3,223	(15)	777	(39)	3,946
Non-current assets	62,155	–	12,961		
Current assets	4,007	5	15,537		
Non-current liabilities	(37,145)	(2,550)	(7,910)		
Current liabilities	(771)	(183)	(4,367)		
Net assets/(liabilities)	28,246	(2,728)	16,221		
Net assets/(liabilities) attributable to NCI	13,841	(1,664)	3,204	(14,382)	999
Cash flows from/(used in) operating activities	83	(28)	4,247		
Cash flows from/(used in) investing activities	11,112	–	(382)		
Cash flows (used in)/from financing activities	(12,046)	18	(4,805)		
Net decrease in cash and cash equivalents	(851)	(10)	(940)		
31 December 2021					
Revenue	2,421	–	9,228		
Profit/(loss)	4,341	(90)	3,960		
Other comprehensive income (OCI)	–	292	–		
Total comprehensive income	4,341	202	3,960		
Attributable to NCI:					
– Profit/(loss)	2,127	(55)	782	45	2,899
– OCI	–	178	–	–	178
– Total comprehensive income	2,127	123	782	45	3,077
Non-current assets	59,702	–	12,961		
Current assets	11,511	14	14,811		
Non-current liabilities	–	(2,550)	(10,815)		
Current liabilities	(45,587)	(167)	(3,668)		
Net assets/(liabilities)	25,626	(2,703)	13,289		
Net assets/(liabilities) attributable to NCI	12,557	(1,649)	2,625	(14,343)	(810)
Cash flows (used in)/from operating activities	(633)	(84)	4,153		
Cash flows from/(used in) investing activities	55,769	10	(584)		
Cash flows (used in)/from financing activities	(53,397)	79	(1,094)		
Net increase in cash and cash equivalents	1,739	5	2,475		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

18. LOANS AND BORROWINGS

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current liabilities				
Secured bank loans	46,942	14,611	–	–
Lease liabilities	5,622	6,025	22	32
	52,564	20,636	22	32
Current liabilities				
Secured bank loans	2,708	30,839	–	–
Secured invoice financing	1,532	974	–	–
Lease liabilities	760	826	10	10
	5,000	32,639	10	10
Total loans and borrowings	57,564	53,275	32	42

Terms and debt repayment schedule

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

	Nominal interest rate	Note	Year of maturity	2022 Face value $'000	2022 Carrying amount $'000	2021 Face value $'000	2021 Carrying amount $'000
Group							
S$ floating rate loan VI	EBR# – 2.70%	(b)(c)(f)(g)	2022	–	–	28,020	28,020
S$ floating rate loans XI	SORA@ + 2.00%	(b)(c)(f)(g)	2025	37,145	37,145	–	–
S$ floating rate loan VII	EBR# – 2.85% – 3.35%	(a)(f)(g)	2026	2,533	2,533	3,309	3,309
S$ floating rate loan VIII	EBR# – 2.35%	(a)(f)(g)	2026	3,300	3,300	4,100	4,100
S$ floating rate loan IX	COF^ + 2.00%	(d)(f)(g)	2025	–	–	366	366
S$ floating rate loan X	EBR# – 2.70% – 2.90%	(a)(e)	2035	4,995	4,995	7,204	7,204
S$ fixed rate loan I	2.00%	(c)(f)(g)	2025	1,677	1,677	2,236	2,236
S$ fixed rate loan II	3.25%	(a)(e)	2025	–	–	215	215
S$ lease liabilities I	2.82% – 7.97%	(g)(h)	2023 – 2025	310	296	457	421
S$ lease liabilities II	2.97% – 6.55%		2023 – 2041	7,613	6,086	8,132	6,430
US$ invoice financing I	COF^ + 2.00%	(f)(g)	2023	695	683	975	974
US$ invoice financing II	COF^ + 1.50%	(g)	2023	865	849	–	–
				59,133	57,564	55,014	53,275
Company							
S$ lease liabilities	3.27%		2023 – 2026	33	32	44	42

^ The respective bank's cost of funds.
\# The respective bank's enterprise base rate.
@ 3-months compounded Singapore Overnight Rate Average.

In 2022, the Group has refinanced its Singapore Dollar denominated floating rate loan VI to floating rate loans XI.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

18. LOANS AND BORROWINGS (CONTINUED)

The loans and borrowings' securities are as follows:

(a) First legal mortgages over leasehold properties with carrying amount of $15,351,000 (2021: $16,351,000);

(b) First legal mortgages over investment properties with a total carrying amount of $62,155,000 (2021: $66,397,000, including 3 strata units classified as assets held for sale (see Note 13));

(c) Fixed deposits amounting to $1,689,000 (2021: $1,539,000);

(d) In 2021, a fixed charges on certain plant and machineries with carrying amount of $520,000;

(e) Guarantees by a subsidiary of the Company;

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

(g) Guarantees by the Company (see Note 34); and

(h) Property, plant and equipment with carrying amount of $807,000 (2021: $825,000).

The Group and the Company's exposure to interest rate risk, foreign currency risk and liquidity risk are disclosed in Note 31.

19. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deferred income		105	–*	–	–
Trade payables		3,889	3,388	–	–
Project costs accruals		66	165	–	–
Other accruals		2,500	2,357	637	667
Other payables	(i)	4,621	3,504	163	117
Security deposits		2,559	2,144	–	–
Loan due to a shareholder	(ii)	–	1,800	–	1,800
Amounts due to non-controlling interests:					
– non-interest bearing loan	(iii)	–	7,919	–	–
– non-trade	(iv)	2,550	2,550	–	–
Amounts due to subsidiaries:					
– interest bearing loan	(v)	–	–	14,421	14,270
– interest bearing loan	(vi)	–	–	1,336	2,941
– non-trade	(vii)	–	–	3,925	3,841
		16,290	23,827	20,482	23,636
Representing:					
Non-current		2,717	4,350	–	1,807
Current		13,573	19,477	20,482	21,829
		16,290	23,827	20,482	23,636

* Denotes amount < $1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

19. TRADE AND OTHER PAYABLES (CONTINUED)

(i) Other payables consist of:

- An amount payable to a company in which a Director of PGSB has a substantial financial interest amounted to RM2,448,000 (equivalent to $792,000) as at 31 December 2021. During the financial year, the amount was novated to the director of PGSB.

- An amount payable to a director of PGSB amounted to RM7,198,000 (equivalent to $2,192,000) as at 31 December 2022. The amount will be set-off against the amount due from the same director (Note 10) in the next financial year upon finalisation of the audited financial statements of PGSB.

(ii) In 2021, the loan due to a shareholder is unsecured, bears interest at bank's cost of funds rate or SWAP offer rate plus 3% per annum.

(iii) In 2021, the amounts were due to a company where an Executive Director of the Company has controlling interest. The amounts were unsecured, interest-free and repayable on demand.

(iv) The amounts are due to a company where an Executive Director of the Company has minority interest. The amounts are unsecured, interest-free and repayable on demand after June 2024.

(v) The amounts are unsecured, bear interest range between 2.00% (2021: 2.00%) and are repayable on demand.

(vi) The amounts are unsecured, bear interest at bank's enterprise base rate minus 2.85% – 3.35% (2021: bank's enterprise base rate minus 2.85%) and are repayable on demand.

(vii) 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 31.

20. DEFERRED TAX LIABILITIES

Deferred tax liabilities are attributable to the following:

	Group	
	2022 $'000	2021 $'000
Property, plant and equipment	690	561
Lease liabilities	(179)	(129)
Inventories	(384)	–
Others	17	(16)
	144	416

Movement in deferred tax balances

	Balance as at 1 January 2021 $'000	Acquisition through business combination (Note 30) $'000	Recognised in profit or loss (Note 26) $'000	Exchange differences $'000	Balance as at 31 December 2021 and 1 January 2022 $'000	Recognised in profit or loss (Note 26) $'000	Exchange differences $'000	Balance as at 31 December 2022 $'000
Property, plant and equipment	–	530	35	(4)	561	166	(37)	690
Lease liabilities	–	(134)	4	1	(129)	(60)	10	(179)
Inventories	–	–	–	–	–	(396)	12	(384)
Others	–	(10)	(6)	–*	(16)	34	(1)	17
	–	386	33	(3)	416	(256)	(16)	144

* Denotes amount < $1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

21. REVENUE

	Group 2022 $'000	Group 2021 $'000
Sales of goods	38,563	33,029
Revenue from refinery service income	955	861
Revenue from piling contracts	2,273	3,642
Rental income from investment properties	1,773	2,411
Revenue from rental of machinery and equipment	96	31
Rental income	449	449
	44,109	40,423

Contract balances

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

	Group 2022 $'000	Group 2021 $'000
Receivables, which are included in 'Trade and other receivables'	2,787	2,474
Contract assets	268	1,150

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:

	Group 2022 $'000	Group 2021 $'000
Contract assets reclassified to trade receivables	(3,138)	(3,968)
Changes in measurement of progress	2,273	3,642
Impairment loss on contract assets	(17)	(113)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

21. 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 29).

	Trading, recycling and refining of e-waste/metals		Piling contracts, construction, rental and servicing of machinery		Manufacturing and trading of healthcare product		Total	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Group								
Primary geographical markets:								
Singapore	8,315	7,239	2,369	3,673	–	–	10,684	10,912
Hong Kong and China	16,731	17,852	–	–	3,308	994	20,039	18,846
Malaysia	7,953	6,090	–	–	1,624	250	9,577	6,340
United Arab Emirates	46	1,047	–	–	–	–	46	1,047
United States of America	–	–	–	–	1,078	–	1,078	–
Other countries	414	47	–	–	49	371	463	418
	33,459	32,275	2,369	3,673	6,059	1,615	41,887	37,563
Major products/service line								
Sale of goods	32,504	31,414	–	–	6,059	1,615	38,563	33,029
Revenue from refinery service income	955	861	–	–	–	–	955	861
Revenue from piling contracts	–	–	2,273	3,642	–	–	2,273	3,642
Revenue from rental of machinery and equipment	–	–	96	31	–	–	96	31
	33,459	32,275	2,369	3,673	6,059	1,615	41,887	37,563
Timing of revenue recognition								
Products and services transferred at a point in time	33,459	32,275	–	–	6,059	1,615	39,518	33,890
Products and services transferred over time	–	–	2,369	3,673	–	–	2,369	3,673
	33,459	32,275	2,369	3,673	6,059	1,615	41,887	37,563

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

22. OTHER INCOME

	Group	
	2022	2021
	$'000	$'000
Compensation receivable from a director of a subsidiary (Note 10 (iii))	3,070	–
Fair value gain on investment properties	6,008	2,225
Foreign exchange gain	–	77
Gain on disposal of investment properties	844	2,929
Gain on disposal of property, plant and equipment	299	55
Government grants	246	324
Rental income on subleased properties	–	34
Fair value gain on precious metal	–	101
Loan waiver from a director	132	–
Others	422	618
	11,021	6,363

In 2022, there are no government grants (2021: $177,000) 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.

23. OTHER OPERATING EXPENSES

	Group	
	2022	2021
	$'000	$'000
Bad debts written off	–	13
Foreign exchange loss	285	–
Fair value loss on precious metal	196	–
Employee benefits under profit sharing plan	19	33
Loss on disposal of a subsidiary	–	86
Impairment losses on property, plant and equipment	–	96
Property, plant and equipment written off	12	12
Share-based payment transactions	188	–
Others	4	4
	704	244

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

24. FINANCE INCOME AND FINANCE COSTS

	Group	
	2022 $'000	2021 $'000
Finance income:		
– Cash and cash equivalents	41	43
Finance costs:		
– Bank overdrafts	(2)	(2)
– Bank loans	(1,495)	(1,986)
– Lease liabilities	(237)	(215)
– Trust receipts	(70)	(26)
– Loan from a shareholder	(45)	(89)
– Others	–	(2)
	(1,849)	(2,320)
Net finance costs recognised in profit or loss	(1,808)	(2,277)

25. PROFIT BEFORE TAXATION

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

	Group	
	2022 $'000	2021 $'000
Audit fees paid/payable to:		
– auditors of the Company	390	284
– other auditors	39	26
Non-audit fees paid/payable to:		
– auditors of the Company	20	84
– other auditors	5	80
Depreciation of property, plant and equipment	3,796	3,196
Inventories written off	45	–
Allowance/(reversal of allowance) for write-down of inventories	1,547	(239)
Reversal of impairment loss on trade and other receivables	(10)	(69)
Reversal of provision for onerous contract	(5)	(34)
Employee benefits expense (see below)	7,443	6,393
Employee benefits expense		
Salaries, bonuses and other costs	6,844	6,007
Contributions to defined contribution plans	411	386
Equity-settled share-based payment transactions	188	–
	7,443	6,393

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

26. INCOME TAX (CREDIT)/EXPENSE

	Group 2022 $'000	Group 2021 $'000
Current tax expense/(credit)		
– Current year	41	19
– Under/(Over) provision in prior years	1	(7)
	42	12
Deferred tax expense		
– Origination and reversal of temporary differences	(537)	33
– Under provision in prior years	281	–
	(256)	33
	(214)	45

Reconciliation of effective tax rate

	Group 2022 $'000	Group 2021 $'000
Profit before tax from continuing operations	5,961	5,634
Tax calculated using Singapore tax rate of 17% (2021: 17%)	1,013	958
Effect of tax rates in foreign jurisdiction	(157)	16
Effect of results of associate presented net of tax	39	(88)
Tax-exempt income	(1,754)	(852)
Non-deductible expenses	481	505
Utilisation of prior year's unrecognised capital allowance brought forward	(128)	(157)
Utilisation of prior year's unrecognised tax losses brought forward	(697)	(764)
Deferred tax assets not recognised	751	476
Tax incentives	(44)	(42)
Under/(Over) provision in prior years	282	(7)
	(214)	45

The following temporary differences have not been recognised:

	Group 2022 $'000	Group 2021 $'000
Deductible temporary differences	(14,824)	(13,406)
Unutilised tax losses	(66,285)	(67,739)
Unutilised capital allowances	(542)	(939)
	(81,651)	(82,084)

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

27. EARNINGS PER SHARE

Profit attributable to ordinary shareholders

The calculation of basic and diluted earnings per share at 31 December 2022 was based on profit attributable to ordinary shareholders of $2,229,000 (2021: $2,690,000), and a weighted-average number of ordinary shares outstanding of 1,534,035,000 (2021: 1,293,385,000), calculated as follows:

	Group	
	2022 $'000	2021 $'000
Profit attributable to ordinary shareholders	2,229	2,690

	Group	
	2022 '000	2021 '000
Weighted-average number of ordinary shares		
Weighted-average number of ordinary shares during the year	1,534,035	1,293,385

In 2022 and 2021, 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 14) is immaterial.

28. 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 (which includes annual wages supplement and performance target bonus) 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 14 – Share Award Scheme.

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

	Group	
	2022 $'000	2021 $'000
Short-term employee benefits	1,674	1,626
Post-employment benefits (including contribution to Central Provident Fund)	83	102
Directors' fees paid/payable to directors of the Group	169	136
Equity settled share-based payment	188	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

28. RELATED PARTIES (CONTINUED)

Key management personnel and director transactions

A director of the Company control 50% of the voting shares in the Group's associate (see Note 8).

A number of key management personnel hold positions in other entities that result in them having control over the financial or operating policies of these entities. A number of these entities transacted with the Group during the year. The transactions carried out in the normal course of business on terms agreed with key management personnel and entities over which they have control were as follows:

	Group	
	2022	2021
	$'000	$'000
Sales	9	2,337
Purchases	(1)	(111)
Commission income	223	218
Loan waiver from a director	132	–
Management fees	(96)	(108)

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:

	Group	
	2022	2021
	$'000	$'000
Associate		
Sales	3	–
Purchases	–*	–

	Company	
	2022	2021
	$'000	$'000
Management fee from subsidiaries	1,891	1,919
Interest income from subsidiaries	106	111
Interest expense paid to subsidiaries	(377)	(407)

* Denotes amount < $1,000

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Year ended 31 December 2022

29. OPERATING SEGMENTS

The Group has five 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) Manufacturing and trading of healthcare product

Comprising sale, distribution and marketing of healthcare products and other related activities.

(e) Others

Includes plastics to fuel refining which involve in conversion of waste plastic to usable liquid hydrocarbon fuel oil.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

29. OPERATING SEGMENTS (CONTINUED)

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	Manufacturing and trading of healthcare products $'000	Others $'000	Total $'000
31 December 2022						
External revenue	33,908	1,773	2,369	6,059	–	44,109
Depreciation of property, plant and equipment	(2,078)	–	(864)	(816)	–	(3,758)
Reportable segment profit/(loss) before tax and finance costs	5,421	7,825	(1,071)	(513)	(25)	11,637
Share of loss of associate (net of tax)	–	–	–	(227)	–	(227)
Other material non-cash items:						
– Fair value loss on precious metal	(196)	–	–	–	–	(196)
– Fair value gain on investment properties	–	6,008	–	–	–	6,008
– Finance income	20	18	–	–	–	38
– Finance costs	(748)	(1,001)	(25)	(28)	–	(1,802)
– Gain on disposal of investment properties	–	844	–	–	–	844
– Gain on disposal of property, plant and equipment	67	–	232	–	–	299
– Property, plant and equipment written off	(12)	–	–	–	–	(12)
– Compensation receivable from a director of a subsidiary	–	–	–	3,070	–	3,070
– Inventories written off	45	–	–	–	–	45
– Allowance for write-down of inventories	–	–	–	(1,547)	–	(1,547)
– Reversal of impairment losses on trade and other receivables	–	–	10	–	–	10
– Reversal of provision for onerous contract	–	–	5	–	–	5
– Loan waiver from a director	–	–	–	132	–	132
– Income tax credit/(expense)	–	(42)	–	256	–	214
Reportable segment assets	33,876	62,223	3,431	41,236	3	140,769
Investment in associate	–	–	–	1,830	–	1,830
Capital expenditure	2,320	–	28	1,043	–	3,391
Reportable segment liabilities	25,687	37,916	1,095	6,139	2,557	73,394

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

29. 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	Manufacturing and trading of healthcare products $'000	Others $'000	Total $'000
31 December 2021						
External revenue	32,724	2,411	3,673	1,615	–	40,423
Depreciation of property, plant and equipment	(1,981)	–	(1,078)	(102)	–	(3,161)
Reportable segment profit/(loss) before tax and finance costs	6,139	6,025	(1,079)	(278)	(7)	10,800
Share of profit of associate (net of tax)	–	–	–	516	–	516
Other material non-cash items:						
– Fair value gain on precious metal	101	–	–	–	–	101
– Fair value gain on investment properties	–	2,225	–	–	–	2,225
– Finance income	5	27	2	–	–	34
– Finance costs	(762)	(1,431)	(34)	(3)	–	(2,230)
– Gain on disposal of investment properties	–	2,929	–	–	–	2,929
– Gain/(loss) on disposal of property, plant and equipment	10	–	40	(1)	6	55
– Impairment losses on property, plant and equipment	–	–	(96)	–	–	(96)
– Property, plant and equipment written off	(5)	–	(7)	–	–	(12)
– Reversal of write-down of inventories	239	–	–	–	–	239
– Reversal of impairment losses on trade and other receivables	43	–	26	–	–	69
– Reversal of provision for onerous contract	–	–	34	–	–	34
– Income tax expense	–	(12)	–	(33)	–	(45)
Reportable segment assets	30,728	66,417	5,629	39,197	3	141,974
Investment in associate	–	–	–	–*	–	–*
Capital expenditure	1,020	–	746	329	–	2,095
Reportable segment liabilities	28,262	37,339	2,273	4,470	2,559	74,903

* Denotes amount < $1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

29. OPERATING SEGMENTS (CONTINUED)

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

	2022 $'000	2021 $'000
Revenue		
Total revenue for reportable segments	44,109	40,423
Profit or loss		
Total profit for reportable segments before tax and finance costs	11,637	10,800
Unallocated amounts:		
– Other corporate expenses	(5,449)	(5,682)
Share of (loss)/profit of associate	(227)	516
Consolidated profit before tax from continuing operations	5,961	5,634
Assets		
Total assets for reportable segments	140,769	141,974
Other unallocated amounts**	15,679	15,399
Investment in associate	1,830	–*
Consolidated total assets	158,278	157,373
Liabilities		
Total liabilities for reportable segments	73,394	74,903
Other unallocated amounts	847	2,633
Consolidated total liabilities	74,241	77,536

* Denotes amount < $1,000

** Unallocated assets are mainly related to cash and cash equivalents, a portion of the plant and equipment and 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 2022			
Capital expenditure	3,391	59[a]	3,450
Depreciation of property, plant and equipment	(3,758)	(38)[a]	(3,796)
Fair value gain on investment properties	6,008	–	6,008
Fair value loss on precious metal	(196)	–	(196)
Finance income	38	3[a]	41
Finance costs	(1,802)	(47)[a]	(1,849)
Gain on disposal of investment properties	844	–	844
Gain on disposal of property, plant and equipment	299	–	299
Property, plant and equipment written off	(12)	–	(12)
Compensation receivable from a director of a subsidiary	3,070	–	3,070
Reversal of provision for onerous contract	5	–	5
Reversal of impairment losses on trade and other receivables	10	–	10
Inventories written off	45	–	45
Allowance for write-down of inventories	(1,547)	–	(1,547)
Loan waiver from a director	132	–	132
Income tax credit	214	–	214

[a] Other unallocated amounts.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

29. OPERATING SEGMENTS (CONTINUED)

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
31 December 2021			
Capital expenditure	2,095	60[a]	2,155
Depreciation of property, plant and equipment	(3,161)	(35)[a]	(3,196)
Fair value gain on investment properties	2,225	–	2,225
Fair value gain on precious metal	101	–	101
Finance income	34	9[a]	43
Finance costs	(2,230)	(90)[a]	(2,320)
Gain on disposal of investment properties	2,929	–	2,929
Gain on disposal of property, plant and equipment	55	–	55
Impairment losses on property, plant and equipment	(96)	–	(96)
Property, plant and equipment written off	(12)	–	(12)
Reversal of provision for onerous contract	34	–	34
Reversal of impairment losses on trade and other receivables	69	–	69
Reversal of allowance for write-down of inventories	239	–	239
Income tax expense	(45)	–	(45)

[a] *Other unallocated amounts.*

Geographical segments

The Group's five business segments operate in four main geographical areas: Singapore, Hong Kong and China, Malaysia and United States of America (2021: Singapore, Hong Kong and China, Malaysia and United Arab Emirates). 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 2022		
Singapore	12,906	115,880
Hong Kong and China	20,039	–
Malaysia	9,577	9,781
United States of America	1,078	–
Other countries	509	–
	44,109	125,661
31 December 2021		
Singapore	13,772	114,170
Hong Kong and China	18,846	–
Malaysia	6,340	8,214
United Arab Emirates	1,047	–
Other countries	418	–
	40,423	122,384

[1] Non-current assets consist of property, plant and equipment, intangible assets, investment properties, investment in associate, and trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

29. OPERATING SEGMENTS (CONTINUED)

Major customer

Revenue from a customer of the Group's trading, recycling and refining of e-waste/metals segment represents approximately 34% (2021: 34%) of the Group's revenue.

30. BUSINESS COMBINATION

Acquisition of a subsidiary

On 27 October 2021, the Group acquired 75% of the shares and voting interests in PGSB. As a result, the Group's equity interest in PGSB increased from 25% to 100%, and became a wholly own subsidiary of the Group.

PGSB is in the business of manufacturing and trading of rubber gloves. The acquisition will allow the Group to diversify its business into the healthcare industries as part of the Group's corporate strategies to enhance its profitability, shareholder value and improve its growth prospects.

For the two months ended 31 December 2021, PGSB contributed revenue of $1,615,000 and profit of $202,000 to the Group's results. If the acquisition had occurred on 1 January 2021, management estimated that the Group's consolidated revenue would have increased by $7,531,000 and consolidated profit for the year increased by $1,464,000. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	Note	$'000
Fair value of the 25% equity interest		682
Cash		5,850
Equity instruments issued (292,500,000 ordinary shares)	14	22,201
Total consideration transferred		28,733

Equity instruments issued

The fair value of the ordinary shares issued was based on the share price of the Company on 27 October 2021 (date of acquisition) of $0.076 per share.

Contingent consideration

As set out in the various agreements with the selling shareholders, the Group is to pay the selling shareholders up to a total consideration of $17,550,000 subject to certain performance target to be achieved by PGSB for the period from 1 January 2022 to 31 December 2024. The selling shareholders would only be eligible for the consideration by fulfilling three years of services with PGSB and upon PGSB meeting performance target set out in the Sales and Purchase Agreement. Accordingly, such consideration is to be recognised as employee benefits in the consolidated statement of profit or loss over the years of vesting.

Acquisition-related costs

The Group incurred acquisition-related costs of $729,000 on legal fees and due diligence costs. These costs have been included in 'General and administrative expenses'.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

30. BUSINESS COMBINATION (CONTINUED)

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	$'000
Property, plant and equipment	8,048
Inventories	2,206
Trade and other receivables	1,491
Cash and cash equivalents	1,073
Lease liabilities	(556)
Deferred tax liabilities	(386)
Trade and other payables	(9,998)
Total identifiable net assets	1,878
Goodwill on acquisition	26,855
Total consideration	28,733

	$'000
Cash consideration paid	(5,850)
Cash and cash equivalents acquired	1,073
Acquisition of a subsidiary, net of cash acquired	(4,777)

Measurement of fair values

In 2021, the management carried out a provisional purchase price allocation assessment. As the subsidiary is still in the early set-up stage, the carrying amount of the property, plant and equipment approximates the fair value at date of acquisition. No material intangible assets are identified. The carrying amount of the net assets approximated the fair values of the net assets acquired at the date of acquisition.

Accordingly, the provisional goodwill is the excess of the consideration of acquisition over the carrying amount of the net assets of PGSB at date of acquisition.

During the year, the purchase price allocation is finalised and did not result in any material adjustments to the provisional values.

Disposal of a subsidiary

On 25 February 2021, the Group disposed of its entire interest in Enviro Restorer S R L ("ER") to a third party, for a consideration of EUR1 (equivalent to $1.62).

The attributable assets and liabilities of the subsidiary disposed and the cash flows relating to the disposal are set out as follows:

	$'000
Net assets disposed	16
Loss on disposal of a subsidiary	(86)
	(70)
Consideration received, satisfied in cash	–*
Net cash outflow from the disposal	(70)

* Denotes amount < $1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

31. 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 the Company's 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 2022

31. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Trade and other receivables (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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Contractors	957	2,292	–	–
Traders	2,092	1,329	–	–
Tenants	6	2	–	–
Others	5,996	2,336	9,555	8,317
	9,051	5,959	9,555	8,317

The Group's most significant customer, a trader (2021: a contractor), accounts for $808,000 (2021: $305,000) of the Group's financial assets at amortised cost carrying amount as at 31 December 2022. Amounts due from subsidiaries account for 100% (2021: 100%) of the Company's financial assets at amortised cost as at 31 December 2022.

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

	2022		2021	
	Not credit-impaired $'000	Credit-impaired $'000	Not credit-impaired $'000	Credit-impaired $'000
Group				
– Four or more years' trading history with the Group*	667	–	190	85
– Less than four years' trading history with the Group*	8,401	–	5,796	–
Higher risk	–	2	–	3
Total gross carrying amount	9,068	2	5,986	88
Loss allowance	(17)	(2)	(27)	(88)
	9,051	–	5,959	–
Company				
– Four or more years' trading history with the Group*	8,753	295	7,591	441
– Less than four years' trading history with the Group*	802	–	726	–
Total gross carrying amount	9,555	295	8,317	441
Loss allowance	–	(295)	–	(441)
	9,555	–	8,317	–

* Excluding higher risk

As at reporting date, the Company held non-trade receivables from its subsidiaries of $9,125,000 (2021: $8,219,000). These balances are amount provided to subsidiaries to satisfy their short-term operating requirements. The Company has assessed that the credit risks of these unimpaired balances are minimal and amount of allowance on these balances are insignificant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

31. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

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

The Group uses an allowance matrix to measure the ECLs of trade receivables and other receivables.

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 2022 and 31 December 2021:

	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
Group				
31 December 2022				
Not past due	0.19	7,380	(17)	Yes
Past due 0 – 30 days	–	753	–	No
Past due 31 – 120 days	–	894	–	No
Past due 121 – 365 days	–	41	–	No
More than one year	0.02	2	(2)	Yes
		9,070	(19)	
31 December 2021				
Not past due	2.56	4,264	(112)	Yes
Past due 0 – 30 days	–	1,264	–	No
Past due 31 – 120 days	–	429	–	No
Past due 121 – 365 days	–	114	–	No
More than one year	2.61	3	(3)	Yes
		6,074	(115)	
Company				
31 December 2022				
Not past due	2.86	7,433	(282)	Yes
Past due 0 – 30 days	0.01	128	(1)	Yes
Past due 31 – 120 days	0.04	113	(4)	Yes
Past due 121 – 365 days	0.08	205	(8)	Yes
More than one year	–	1,971	–	No
		9,850	(295)	
31 December 2021				
Not past due	6.86	6,430	(441)	Yes
Past due 0 – 30 days	–	103	–	No
Past due 31 – 120 days	–	770	–	No
Past due 121 – 365 days	–	–	–	No
More than one year	–	1,455	–	No
		8,758	(441)	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

31. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Movements in allowance for impairment in respect of trade and other receivables

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	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	115	312	441	362
(Reversal of)/allowance for impairment losses	(10)	(69)	(146)	79
Amount written off	(86)	(133)	–	–
Translation difference	–	5	–	–
At 31 December	19	115	295	441

The Group and the Company believe 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 and the Company held cash and cash equivalents of $15,543,000 and $5,549,000 respectively at 31 December 2022 (2021: $15,273,000 and $2,602,000 respectively). 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 Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group 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.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and excluding the impact of netting agreements:

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

31. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (Continued)

Exposure to liquidity risk (Continued)

		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 2022					
Non-derivative financial liabilities					
Secured bank loans	49,650	(55,849)	(5,034)	(48,315)	(2,500)
Bank overdrafts	202	(202)	(202)	–	–
Lease liabilities	6,382	(7,923)	(970)	(2,571)	(4,382)
Invoice financing	1,532	(1,560)	(1,560)	–	–
Trade and other payables#	16,185	(16,185)	(13,468)	(2,717)	–
	73,951	(81,719)	(21,234)	(53,603)	(6,882)
31 December 2021					
Non-derivative financial liabilities					
Secured bank loans	45,450	(48,464)	(32,130)	(11,096)	(5,238)
Lease liabilities	6,851	(8,589)	(1,053)	(2,714)	(4,822)
Invoice financing	974	(975)	(975)	–	–
Trade and other payables#	23,827	(23,827)	(19,477)	(4,350)	–
	77,102	(81,855)	(53,635)	(18,160)	(10,060)

Excludes deferred income

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000
Company				
31 December 2022				
Non-derivative financial liabilities				
Lease liabilities	32	(33)	(11)	(22)
Trade and other payables	20,482	(20,482)	(20,482)	–
Intra-group financial guarantees	–	(31,444)	(5,315)	(26,129)
	20,514	(51,959)	(25,808)	(26,151)
31 December 2021				
Non-derivative financial liabilities				
Lease liabilities	42	(44)	(11)	(33)
Trade and other payables	23,636	(23,636)	(21,829)	(1,807)
Intra-group financial guarantees	–	(26,742)	(18,332)	(8,410)
	23,678	(50,422)	(40,172)	(10,250)

The maturity analysis shows 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 2022

31. 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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Fixed rate instruments				
Financial assets	15,525	13,747	11,045	8,579
Financial liabilities	(8,059)	(9,302)	(14,453)	(14,382)
	7,466	4,445	(3,408)	(5,803)
Variable rate instruments				
Financial liabilities	(49,707)	(45,773)	(1,336)	(4,671)

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.

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 2021.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

31. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Interest rate risk (Continued)

	Profit or loss	
	100 bp increase $'000	100 bp decrease $'000
Group		
2022		
Variable interest rate loans	(497)	497
2021		
Variable interest rate loans	(458)	458
Company		
2022		
Variable interest rate loans	(13)	13
2021		
Variable interest rate loans	(47)	47

Foreign currency risk

The Group is exposed to transactional 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 Malaysia Ringgit ('MYR').

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.

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

	SGD $'000	USD $'000	MYR $'000
Group			
31 December 2022			
Trade and other receivables	2,096	637	1
Cash and cash equivalents	784	1,632	–
Loans and borrowings	(285)	–	–
Trade and other payables	(895)	(571)	(67)
Net statement of financial position exposure	1,700	1,698	(66)
31 December 2021			
Trade and other receivables	1,135	670	1
Cash and cash equivalents	1,176	1,284	1
Loans and borrowings	(727)	–	–
Trade and other payables	(673)	(314)	(66)
Net statement of financial position exposure	911	1,640	(64)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

31. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Foreign currency risk (Continued)

Sensitivity analysis

A 10% strengthening of the Singapore dollar, as indicated below, against USD and MYR 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 any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2021.

	(Profit/(loss) before tax Group $'000
31 December 2022	
SGD	170
USD	170
MYR	(7)
31 December 2021	
SGD	91
USD	164
MYR	(6)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

31. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Price risk (Continued)

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 2022	
Gold	843
Silver	73
Platinum	235
31 December 2021	
Gold	1,226
Silver	147
Platinum	418
Palladium	79

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 2022	
Gold	84
Silver	7
Platinum	24
31 December 2021	
Gold	123
Silver	15
Platinum	42
Palladium	8

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

31. 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.

	Note	Carrying amount			Fair value			
		Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group								
31 December 2022								
Financial assets not measured at fair value								
Cash and cash equivalents	12	15,543	–	15,543				
Trade and other receivables*	10	9,051	–	9,051				
		24,594	–	24,594				
Financial liabilities not measured at fair value								
Bank overdrafts	12	–	(202)	(202)				
Loans and borrowings	18	–	(57,564)	(57,564)	–	(59,105)	–	(59,105)
Trade and other payables#	19	–	(16,185)	(16,185)				
		–	(73,951)	(73,951)				
31 December 2021								
Financial assets not measured at fair value								
Cash and cash equivalents	12	15,273	–	15,273				
Trade and other receivables*	10	5,959	–	5,959				
		21,232	–	21,232				
Financial liabilities not measured at fair value								
Loans and borrowings	18	–	(53,275)	(53,275)	–	(55,014)	–	(55,014)
Trade and other payables#	19	–	(23,827)	(23,827)				
		–	(77,102)	(77,102)				

* Excludes prepayments.
\# Excludes deferred income.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

31. 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 2022								
Financial assets not measured at fair value								
Cash and cash equivalents	12	5,549	–	5,549				
Trade and other receivables*	10	9,555	–	9,555				
		15,104	–	15,104				
Financial liabilities not measured at fair value								
Loans and borrowings	18	–	(32)	(32)	–	(33)	–	(33)
Trade and other payables#	19	–	(20,482)	(20,482)				
		–	(20,514)	(20,514)				
31 December 2021								
Financial assets not measured at fair value								
Cash and cash equivalents	12	2,602	–	2,602				
Trade and other receivables*	10	8,317	–	8,317				
		10,919	–	10,919				
Financial liabilities not measured at fair value								
Loans and borrowings	18	–	(42)	(42)	–	(44)	–	(44)
Trade and other payables#	19	–	(23,636)	(23,636)				
		–	(23,678)	(23,678)				

* Excludes prepayments.
\# Excludes deferred income.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

32. 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.

Plant and machinery

External, independent valuation company, Hilco Appraisal Singapore Pte Ltd, having appropriate recognised professional qualifications and recent experience in the type of plant and machinery being valued, value the Company's certain units of cranes and piling machineries.

For those fair values of plant and machinery based on market comparison approach, the valuation was based on the estimated amount for which a plant and machinery 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 transaction price of similar plant and machinery from observable market.

When depreciated replacement costs approach is undertaken for the remaining assets, the valuation was based on the aggregated amount of gross replacement cost of the plant and machinery from which appropriate deductions may then be made for physical deterioration as well as functional and economic obsolescence.

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 freehold 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

32. MEASUREMENT OF FAIR VALUES (CONTINUED)

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).

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 2022				
Investment properties	–	–	62,155	62,155
Precious metal measured at fair value	1,151	–	–	1,151
31 December 2021				
Investment properties and investment properties classified as assets held for sale	–	–	66,397	66,397
Precious metal measured at fair value	1,870	–	–	1,870

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 2021	116,503
Fair value gain	2,225
Gain on disposal	2,929
Reclassed to assets held for sales	(6,695)
Disposals of strata units	(55,260)
Balance at 31 December 2021	59,702
Balance at 1 January 2022	59,702
Fair value gain	6,008
Gain on disposal	844
Disposals of strata units	(4,399)
Balance at 31 December 2022	62,155

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

32. MEASUREMENT OF FAIR VALUES (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.

33. COMMITMENTS

In 2022, the Group has entered into contracts to purchase machineries and renovation works for $898,000 (2021: $2,356,000) of which $591,000 (2021: $952,000) has been incurred as at the reporting date.

In addition, the Group is committed to incur the capital expenditure of $7,497,000 for the period from 28 February 2022 to 31 December 2024 for the expansion of pharmacy retail business in an associate, Pastel Care Sdn. Bhd. of which $1,985,000 (2021: nil) has been incurred as at reporting date.

34. CONTINGENT LIABILITIES

The Company issued financial guarantees to certain banks in respect of banking facilities granted to certain subsidiaries amounting to $69,862,000 (2021: $78,924,000), of which the amount drawn down at 31 December 2022 was $31,444,000 (2021: $26,742,000). The periods in which the financial guarantees will expire are as follows:

	2022 $'000	2021 $'000
Within 1 year	5,315	18,332
After 1 year but within 5 years	26,129	8,410
	31,444	26,742

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

35. LEASES

Leases as lessee

The Group leases leasehold properties, plant and machinery, motor vehicles and office equipment. The leases run for a period of 1 to 20 years (2021: 1 to 20 years). Some leases provide for additional rent payments that are based on changes in local price indices.

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

Right-of-use assets

	Leasehold land and buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Group					
2021					
At 1 January	5,732	1,176	142	46	7,096
Acquisition through business combination	548	–	–	–	548
Depreciation charge for the year	(655)	(40)	(9)	(21)	(725)
Additions	713	–	60	74	847
Derecognition	(26)	(416)	(88)	(25)	(555)
Balance at 31 December	6,312	720	105	74	7,211
2022					
At 1 January	6,312	720	105	74	7,211
Depreciation charge for the year	(858)	(40)	(13)	(19)	(930)
Additions	412	–	41	25	478
Derecognition	–	–	–	(9)	(9)
Effect of movement in exchange rates	(39)	–	(3)	–	(42)
Balance at 31 December	5,827	680	130	71	6,708

	Office equipment $'000
Company	
2021	
At 1 January	17
Depreciation charge for the year	(10)
Additions	50
Derecognition	(15)
Balance at 31 December	42
2022	
At 1 January	42
Depreciation charge for the year	(10)
Balance at 31 December	32

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

35. LEASES (CONTINUED)

Amounts recognised in profit or loss

	2022 $'000	2021 $'000
Interest on lease liabilities	237	215
Income from sub-leasing right-of-use assets presented in 'revenue' and 'other income'	(449)	(483)

Amounts recognised in statement of cash flows

	2022 $'000	2021 $'000
Total cash outflow for leases	(1,126)	(1,015)

Leases as lessor

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

Operating lease

The Group leases out its investment properties. 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 properties and properties sublease recognised by the Group during 2022 was $2,222,000 (2021: $2,894,000).

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

	2022 $'000	2021 $'000
Less than one year	2,065	1,269
One to two years	1,271	472
Two to three years	141	154
Total	3,477	1,895

STATISTICS OF SHAREHOLDINGS

As At 23 March 2023

Issued and Fully Paid-Up Capital	:	S$127,007,496.09
Number of Share Issued	:	1,536,995,342
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 2023.

* 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 1967.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Shareholders	%	No. of Shares	%
1 – 99	98	4.97	2,588	0.00
100 – 1,000	96	4.87	67,375	0.01
1,001 – 10,000	467	23.71	2,900,064	0.19
10,001 – 1,000,000	1,232	62.54	162,058,204	10.54
1,000,001 AND ABOVE	77	3.91	1,371,967,111	89.26
Total	**1,970**	**100.00**	**1,536,995,342**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	NG AH HUA	431,388,764	28.06
2	CITIBANK NOMINEES SINGAPORE PTE LTD	317,945,320	20.69
3	SEOW BAO SHUEN	82,838,025	5.39
4	CHEW GHIM BOK	58,605,433	3.81
5	SU MING TONG	51,841,076	3.37
6	PANG KIM WEE	51,412,616	3.35
7	YEOW CHING SHOONG	35,000,000	2.28
8	PHILLIP SECURITIES PTE LTD	28,358,999	1.85
9	MAYBANK SECURITIES PTE. LTD.	27,052,996	1.76
10	NG CHUEN GUAN (HUANG JUNYUAN)	20,000,049	1.30
11	ONG MENG TEE	18,477,866	1.20
12	DBS NOMINEES (PRIVATE) LIMITED	14,603,425	0.95
13	POH KAY HENG	11,859,600	0.77
14	TAN TAI KIM	11,267,200	0.73
15	SIM JOO BENG	10,470,100	0.68
16	LEE CHING KANG	9,118,700	0.59
17	CHUANG TZE MON (ZHUANG ZIMENG)	9,105,700	0.59
18	HUANG YUZHU	8,900,000	0.58
19	ONG HONG WOON (WANG FENGYUN)	8,317,500	0.54
20	ONG CHEE KANG	8,195,625	0.53
	TOTAL	**1,214,758,994**	**79.02**

STATISTICS OF SHAREHOLDINGS

As At 23 March 2023

SUBSTANTIAL SHAREHOLDERS AS AT 23 MARCH 2023

(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	Percentage of Issued Shares
Ng Ah Hua	431,388,764	–	5,480,000(1)	436,868,764	28.42%
Seow Bao Shuen	82,838,025	65,000,000(2)	–	147,838,025	9.62%
Law Siau Woei	–	239,950,000(3)	–	239,950,000	15.61%

Notes:
(1) This represents Mr Ng Ah Hua's deemed interest held through his spouse.
(2) This represents Ms Seow Bao Shuen's direct interest of 65,000,000 shares held in the name of Citibank Nominees Singapore Pte Ltd.
(3) This includes Mr Law Siau Woei's interest of 239,950,000 shares held in the name of Citibank Nominees Singapore Pte Ltd.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on the information provided to the Company as at 23 March 2023, approximately 45% 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 25TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of the Ənviro-Hub Holdings Ltd (the "Company") will be held by way of electronic means on Thursday, 27 April 2023 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 2022, Directors' Statement and Report of the Auditors thereon. **(Resolution 1)**

2. To declare a first and final tax-exempt (1-tier) dividend of S$0.001 per ordinary share for the financial year ended 31 December 2022. **(Resolution 2)**

   [See Explanatory Note (A) below]

3. To approve Directors' fees of S$176,000 for the financial year ending 31 December 2023, payable quarterly in arrears. (2022: S$176,000) **(Resolution 3)**

4. To re-elect the following Directors, each of whom will be retiring by rotation in accordance with Regulation107 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company.

   (a) Mr Tan Kok Hiang **(Resolution 4)**

   Mr Tan Kok Hiang will, upon re-election as a 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.

   [See Explanatory Note (B) below]

   (b) Mr Samuel Poon Hon Thang **(Resolution 5)**

   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.

   [See Explanatory Note (B) below]

5. To re-elect Mr Adrian Toh Jia Sheng who retires in accordance with Regulation 112 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 6)**

   [See Explanatory Note (B) below]

6. To appoint Messrs Mazars LLP as auditors of the Company in place of retiring auditors of the Company, Messrs KPMG LLP, to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

   [See Explanatory Note (C) below]

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

NOTICE OF 25TH 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:

8. **Authority to allot and Issue shares pursuant to the Share Issue Mandate**

"That pursuant to Section 161 of the Companies Act 1967 (the "**CA**"), 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,

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 fifty per centum (50%) 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 8)**

NOTICE OF 25TH ANNUAL GENERAL MEETING

9. **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 Appendix to Shareholders dated 12 April 2023 ("**Appendix**"), with any party who is of the class or classes of "interested persons" described in the Appendix, 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 Appendix 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

(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 9)**

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

That:

(a) pursuant to Article 52(2) and for the purposes of the Companies Act 1967, 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 Appendix, including the "Guidelines on Shares Purchases" set out in Annex I of the Appendix, 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

NOTICE OF 25TH ANNUAL GENERAL MEETING

(c) in this Ordinary Resolution, "**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 1967, 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);

(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 10)**

11. **Authority to Offer and Grant Awards and to Allot and Issue Shares under the Enviro-Hub Share Award Scheme 2022**

That pursuant to Section 161 of the Companies Act 1967, 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 2022" ("**2022 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 2022 Scheme provided always that the aggregate number of Shares (comprising new Shares and/or treasury Shares) to be delivered pursuant to the 2022 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 2022 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 11)**

By Order of the Board

Joanna Lim Lan Sim
Company Secretary
12 April 2023

NOTICE OF 25TH ANNUAL GENERAL MEETING

Explanatory Notes

(A) Resolution 2

In relation to the Ordinary Resolution 2 proposed in item (2) above, the duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on **30 May 2023** will be registered to determine shareholders' entitlement to the proposed dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on **30 May 2023** will be entitled to the proposed dividend.

The proposed dividend, if approved by the shareholders at the forthcoming Annual General Meeting of the Company, will be paid on **8 June 2023**.

(B) Resolutions 4 to 6

In relation to the Ordinary Resolutions 4 to 6 proposed in items 4(a), 4(b) and 5 above, the detailed information on Mr Tan Kok Hiang, Mr Samuel Poon Hon Thang and Mr Adrian Toh Jia Sheng 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 2022 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.

Mr Adrian Toh Jia Sheng is the Executive Director and shareholder of the Company. His sister, Ms Toh Siew Ling, is the Financial Controller of Pastel Glove Sdn Bhd, a wholly owned subsidiary of the Company.

(C) Resolution 7

In relation to Ordinary Resolution 7 proposed in item 6 above, the Appendix provides shareholders with information and the rationale relating to the Proposed Change of Auditors to be tabled at the AGM.

In accordance with the requirements of Rule 1203(5) of the Listing Manual of the SGX-ST:

(a) the retiring Auditor, KPMG LLP ("**KPMG**"), has confirmed that it is not aware of any professional reasons why the new Auditor, Mazars LLP ("**Mazars**"), should not accept appointment as Auditors of the Company;

(b) the Company confirms that there were no disagreements with the retiring Auditors, KPMG on accounting treatments within the last 12 months and up to the date of the Appendix;

(c) the Company confirms that, other than as set out in the Appendix, it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders and which has not been disclosed in the Appendix;

(d) the Company confirms that the rationale for the Proposed Change of Auditors is disclosed in Section 5 of the Appendix. The Company is of the view that it would be timely to effect a change of external auditors. Accordingly, the retiring Auditors, KPMG will retire and will not be seeking re-appointment as Auditors of the Company at the forthcoming 2023 AGM; and

(e) the Company confirms that it is or will be in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of Mazars as the Auditors of the Company. Mazars will also be appointed as the auditors of all the Singapore incorporated subsidiaries and significant associated companies of the Group.

Pursuant to Section 205(11) of the Companies Act 1967, the Company has also received the Notice of Nomination of Mazars as Auditors from a Shareholder, a copy of which is in Annex II of the Appendix.

NOTICE OF 25TH 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 8** proposed in item 8 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 8 shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time of the passing of Resolution 8, 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 8 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 8 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. As at 23 March 2023 (the "Latest Practicable Date"), the Company had no treasury shares and subsidiary holdings.

2. The **Ordinary Resolution 9** proposed in item 9 above, if passed, will authorise the types of "interested person transactions" as described in the Appendix dated 12 April 2023 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 9 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 Appendix dated 12 April 2023.

3. The **Ordinary Resolution 10** proposed in item 10 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 10 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 10 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 Appendix to shareholders dated 12 April 2023.

4. The **Ordinary Resolution 11** proposed in item 11 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 2022" ("**2022 Scheme**"), the details of the 2022 Scheme and a summary of the rules of which are set out in the Company's Appendix to shareholders dated 6 April 2022 (which was approved at the Extraordinary General Meeting of the Company held on 28 April 2022), provided always that the aggregate number of Shares (comprising new Shares and/or treasury Shares) to be delivered pursuant to the 2022 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.

NOTICE OF 25TH ANNUAL GENERAL MEETING

Notes:

(1) A member (other than a Relevant Intermediary (as defined below)) entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.

(2) The instrument appointing a proxy must be deposited at the registered office of the Company at 3 Gul Crescent, Singapore 629519; or electronically via email to info@enviro-hub.com not later than 72 hours before the time appointed for the holding of the AGM.

(3) Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM. Relevant intermediary is either:

a. a banking corporation licensed under the Banking Act 1970 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;

b. a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

c. the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953 of Singapore (the "**CPF Act**"), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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 THE 25TH ANNUAL GENERAL MEETING

On Thursday 27 April 2023 ("AGM") at 10.30 a.m. to be held by Electronic Means

(1) NO DESPATCH OF PRINTED COPIES OF NOTICE OF ANNUAL GENERAL MEETING ("AGM"), APPENDIX TO SHAREHOLDERS DATED 12 APRIL 2023 ("APPENDIX") AND PROXY FORM

Printed copies of the Notice of AGM, the Appendix and the Proxy Form (collectively, the "**AGM Documents**") will NOT be sent to Shareholders of the Company. Instead, the AGM Documents will be made available to members of the Company by electronic means via publication on SGXNet at the URL https://www.sgx.com/securities/company-announcements

(2) NO PHYSICAL ATTENDANCE AT AGM

The AGM is being convened, and will be held, by way of electronic means pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will not be allowed to attend the AGM in person and no Shareholders or their corporate representatives will be admitted.

(3) ALTERNATIVE ARRANGEMENTS

To keep physical interactions and COVID-19 transmission risk to a minimum, alternative arrangements have been put in place to allow Shareholders to participate at the AGM by:

(A) attending the AGM via electronic only means (including arrangements by which the AGM can be accessed via "live" webcast or "live" audio feed);

(B) submitting questions in advance of, or live at, the AGM, and addressing of substantial and relevant questions in advance of, or live at, the AGM; and

(C) voting at the AGM (i) live by the Shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM.

(4) PRE-REGISTRATION TO OBSERVE AND/OR LISTEN TO THE AGM PROCEEDINGS

Shareholders must pre-register themselves, or, where applicable, their appointed proxy(ies) (other than the Chairman of the AGM), at the pre-registration website at http://conveneagm.sg/enviro-hubagm2023 from now till Monday, 24 April 2023 at 10.30 a.m. ("**Registration Deadline**") to enable the Company to verify their status as Shareholders.

Following the verification, authenticated Shareholders will receive an email by 5.00 p.m. on 26 April 2023. The email will contain login credentials and instructions to access the live audio-visual webcast or audio-only of the AGM proceedings. Shareholders who do not receive an email by 5.00 p.m. on 26 April 2023, but have registered by 10.30 a.m. on 24 April 2023, should contact our webcast service provider at http://conveneagm.sg/enviro-hubagm2023/ for assistance.

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.

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.

ADDITIONAL INFORMATION ON THE 25TH ANNUAL GENERAL MEETING

On Thursday 27 April 2023 ("AGM") at 10.30 a.m. to be held by Electronic Means

(5) SUBMITTING QUESTIONS IN ADVANCE OF, OR LIVE AT, THE AGM

(i) Submission of questions in advance of the AGM

Shareholders may submit substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM in advance of the AGM. Such questions must be received by the Company no later than **10.30 a.m. on 20 April 2023**, and can be submitted in either of the following manner:

- Via the pre-registration website at http://conveneagm.sg/enviro-hubagm2023
- Via email to info@enviro-hub.com
- By post to the Company's registered office at 3 Gul Crescent, Singapore 629519.

To ensure that Shareholders' substantial and relevant questions are received by the company by the stipulated deadline, Shareholders are strongly encouraged to submit their questions via the pre-registration website and/or via email.

For verification purpose, when submitting any questions via email or by post, Shareholders MUST provide the Company with their particulars (comprising full name (for individuals) / company name (for corporations), email address, contact number, NRIC / passport / registration number, shareholding type and number of shares held).

(ii) Submission of questions live at the AGM

All Shareholders, or where applicable, their appointed proxy(ies), who have pre-registered for the AGM may also ask the Chairman of the AGM substantial and relevant questions relating to the Resolutions to be tabled at the AGM for approval, live at the AGM, by typing in and submitting their questions through the live chat function via the platform. Shareholders will not be able to ask questions live at the AGM via the audio-only stream of the AGM proceedings.

The Company will endeavour to address the substantial queries from members prior to, or at the AGM and upload the Company's responses on the SGXNet at the URL https://www.sgx.com/securities/company-announcements The minutes of the AGM, which including responses to substantial queries from the Members which are addressed during the AGM (if any), shall thereafter be published on SGXNet at the URL https://www.sgx.com/securities/company-announcements within one (1) month from the conclusion of the AGM.

(6) VOTE LIVE, OR APPOINT PROXY(IES) TO VOTE, AT THE AGM

Shareholders who wish to exercise their voting rights at the AGM may:

(i) (where such Shareholders are individuals) vote live via electronic means at the AGM;

(ii) (where such Shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM) to vote live via electronic means at the AGM on their behalf; or

(iii) (where such Shareholders are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.

Vote Live at the AGM

Shareholders, who wish to vote live via electronic means at the AGM must first pre-register themselves at the pre-registration website at http://conveneagm.sg/enviro-hubagm2023. "Live" voting will be conducted during the AGM. It is important for Shareholders and proxies to have their own web-browser enabled devices ready for voting during the AGM. Examples of web-browser enabled devices include mobile smartphones, laptops, tablets or desktop computers with internet capabilities.

Shareholders, or where applicable, their appointed proxy(ies) must access the AGM proceedings via the "live" webcast in order to vote live at the AGM and will not be able to do so via the "live" audio feed of the AGM proceedings. Instructions will be provided at the start of the AGM on how to vote.

ADDITIONAL INFORMATION ON THE 25TH ANNUAL GENERAL MEETING

On Thursday 27 April 2023 ("AGM") at 10.30 a.m. to be held by Electronic Means

Appointment of Proxy(ies)

(i) Shareholders who wish to appoint proxies (other than the Chairman of the AGM) to attend the AGM and vote "live" at the AGM on their behalf must do both of the following:

 (A) complete and submit the Proxy Form in accordance with the instructions below; and

 (B) pre-register the proxy(ies) at the pre-registration website by the Registration Deadline at http://conveneagm.sg/enviro-hubagm2023 by 24 April 2023 at 10.30 a.m.

(ii) As an alternative to "live" voting, Shareholders may also vote at the AGM by appointing the Chairman as proxy to vote on their behalf in respect of all the Shares held by them.

If a Shareholder wishes to appoint a proxy or proxies (including the Chairman) to vote at the AGM on their behalf, duly completed Proxy Forms must be submitted with the Company in the following manner:

a. if submitted by post, be deposited at the Company's registered office at 3 Gul Crescent, Singapore 629519; or

b. if submitted electronically, be submitted via email to info@enviro-hub.com

in either case, by **10.30 a.m. on 24 April 2023** (being 72 hours before the time fixed for holding of the AGM). Shareholders may download the Proxy Form from SGXNET at the URL http://www.sgx.com/securities/company-announcements.

A Shareholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and submitting it by email to the email address provided above. **Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

In the Proxy Form, the Shareholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the Resolutions to be tabled at the AGM. If no specific direction as to voting is given, the proxy (including the Chairman of the AGM if he/she is appointed as proxy) will vote or abstain from voting at his/her discretion.

In view of section 81SJ(4) of the SFA, a depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless his/her name appears in the depository register maintained by the CDP at least seventy-two (72) hours before the AGM. Any Shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the AGM will not be entitled to attend and vote at the AGM. Accordingly, even if such Shareholder deposits his/her proxy form seventy-two (72) hours before the AGM, the proxy(ies) (including the Chairman of the AGM) will not be entitled to vote on his/her behalf at the AGM, and the Company may reject any such instrument appointing the proxy.

A Shareholder (who is not a Relevant Intermediary) entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote on his/her/its behalf. A proxy need not be a Shareholder. Any appointment of a proxy by a Shareholder attending the AGM shall be null and void and such proxy shall not be entitled to vote at the AGM. Where a Shareholder appoints two proxies, the appointments shall be invalid unless he/she/it specifies the number of Shares or proportion of his/her/its shareholding to be represented by each proxy.

A Shareholder, who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints two or more proxies, the appointments shall be invalid unless such Shareholder specifies the number of Shares to be represented by each proxy.

ADDITIONAL INFORMATION ON THE 25TH ANNUAL GENERAL MEETING

On Thursday 27 April 2023 ("AGM") at 10.30 a.m. to be held by Electronic Means

Voting by Investors Holding Shares through Relevant Intermediaries (including CPF/SRS Investors)

Investors holding Shares through Relevant Intermediaries (including CPF/SRS investors) may exercise their votes in the following manner:

(i) vote "live" at the AGM, if they are appointed as proxies by their respective Relevant Intermediaries (including CPF agent banks and SRS operators); or

(ii) specify their voting instructions to/arrange for their votes to be submitted by their respective Relevant Intermediaries (including CPF agent banks and SRS operators).

Investors holding Shares through Relevant Intermediaries should not make use of the Proxy Form. Only investors holding Shares through Relevant Intermediaries that have been duly appointed as proxies by their respective Relevant Intermediary may vote "live" at the AGM.

CPF/SRS investors who wish to exercise their votes should approach their respective CPF agent bank/SRS operator at least seven working days before the AGM.

(7) VOTING RESULTS

An independent scrutineer will be appointed by the Company to direct and supervise the counting and validation of all valid votes cast through "live" voting and through Proxy Forms received as of the above-mentioned deadline. The voting results will be announced during the AGM (and displayed onscreen for the "live" webcast) in respect of the resolutions put to the vote at the AGM. The Company will also issue an announcement on SGXNET on the results of all the resolutions put to vote at the AGM.

The Company would like to thank all shareholders for their patience and co-operation in enabling the Company to continue to hold its AGM by way of electronic means to keep physical interactions and COVID-19 transmission risk to a minimum.

For and on behalf of
Enviro-Hub Holdings Ltd
12 April 2023

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Samuel Poon Hon Thang, Mr Tan Kok Hiang and Mr Adrian Toh Jia Sheng are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on Wednesday, 27 April 2023 ("**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 SAMUEL POON HON THANG	MR TAN KOK HIANG	MR ADRIAN TOH JIA SHENG
Date of Initial Appointment	26 September 2006	21 May 1999	11 November 2022
Date of last re-appointment	28 April 2021	28 April 2021	Nil
Age	73	72	36
Country of principal residence	Singapore	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 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.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee 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 the recommendation of the Nominating Committee and has reviewed and considered the credentials and experiences of Mr Adrian Toh Jia Sheng for re-election as Executive Director of the Company. The Board has reviewed and concluded that Mr Adrian Toh Jia Sheng 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	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Director, Chairman of the Nominating Committee and member of Audit Committee and Remuneration Committee.	Non-Executive Independent Director, Chairman of the Audit Committee and Remuneration Committee and member of the Nominating Committee.	Executive Director cum Chief Investment Officer.
Professional qualifications	Bachelor of Commerce (1st Class Honours Degree)	Bachelor of Accountancy (Hons)	Bachelor of Science in Applied Accounting and Member of the Association of Chartered Certified Accountants (ACCA)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SAMUEL POON HON THANG	MR TAN KOK HIANG	MR ADRIAN TOH JIA SHENG
Working experience and occupation(s) during the past 10 years	Former banker with more than 40 years of experience in corporate banking, corporate finance and consumer banking.	More than 30 years of experience in accounting, corporate finance, strategic planning and business development.	More than 15 years of experience in the financial sector experiences, predominantly in fund management and consulting.
Shareholding interest in the listed issuer and its subsidiaries	923,333 ordinary shares in the Company.	2,216,666 ordinary shares in the Company.	4,762,000 ordinary shares in the Company.
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	Shareholder of the Company.	Shareholder of the Company.	Shareholder of the Company. Mr Adrian Toh Jia Sheng's sister, Ms Toh Siew Ling, is the Financial Controller of Pastel Glove Sdn Bhd, a wholly owned subsidiary of the Company.
Conflict of Interest (including any competing business)	No	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	Yes
Other Principal Commitments* Including Directorships#			
Past (for the last 5 years)	NA	NA	Azure Capital Pte Ltd
Present	1. Enviro-Hub Holdings Ltd 2. Soilbuild Construction Group Ltd 3. UOL Group Limited	1. Enviro-Hub Holdings Ltd 2. LHT Holdings Ltd 3. Abundante Limited 4. ICP Limited	1. Enviro-Hub Holdings Ltd 2. Leong Hin Builders Pte Ltd 3. HLS Property Pte Ltd 4. Enviro-Power Pte Ltd 5. Enviro Property Pte Ltd 6. EH Property & Investments Pte Ltd 7. QF Properties Pte Ltd 8. QF 1 Pte Ltd 9. QF 3 Pte Ltd 10. QF 4 Pte Ltd 11. QF 7 Pte Ltd 12. QF 8 Pte Ltd 13. QF 9 Pte Ltd 14. Pastel Glove Sdn Bhd 15. Hikari Management Sdn Bhd 16. Pastel Care Sdn Bhd

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.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SAMUEL POON HON THANG	MR TAN KOK HIANG	MR ADRIAN TOH JIA SHENG
(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	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	No
(c) Whether there is any unsatisfied judgment against him?	No	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	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SAMUEL POON HON THANG	MR TAN KOK HIANG	MR ADRIAN TOH JIA SHENG
(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	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	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	No
(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	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SAMUEL POON HON THANG	MR TAN KOK HIANG	MR ADRIAN TOH JIA SHENG
(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	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 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 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 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	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SAMUEL POON HON THANG	MR TAN KOK HIANG	MR ADRIAN TOH JIA SHENG
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	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	No
Disclosure applicable to the appointment of Director only			
Any prior experience as a director of a listed company?	Yes	Yes	No
If yes, please provide details of prior experience.	Mr Samuel Poon is currently a Non-Executive Independent Director of the following listed companies:- 1. Enviro-Hub Holdings Ltd 2. Soilbuild Construction Group Ltd 3. UOL Group Limited	Mr Tan is currently a Non-Executive Independent Director of the following listed companies:- 1. Enviro-Hub Holdings Ltd 2. LHT Holdings Ltd 3. Abundante Limited 4. ICP Limited	
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.			Mr Adrian Toh 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).			NA

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

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
A member will not be able to attend Annual General Meeting ("**AGM**") in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may:
(a) (where the member is an individual) vote "live" via electronic means at the AGM, or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on his/her/its behalf; or
(b) (where the member is an individual or a corporate) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares through their CPF/SRS funds. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.30 a.m. on 17 April 2023.
PERSONAL DATA PRIVACY: By submitting this Proxy Form, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2023.

*I / We, ______________________________ NRIC/Passport no. ______________

of ____ (Address)

being *a member/members of Enviro-Hub Holdings Ltd (the "**Company**"), hereby appoint:

Name	Address	^Email Address	NRIC/ Passport No.	Proportion of Shareholding(s) (%)

and/or (delete as appropriate)

^ Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted instrument appointing a proxy(ies)) to pre-register at the URL http://conveneagm.sg/enviro-hubagm2023 in order to access the live audio-visual webcast or live audio-only stream of the AGM proceedings.

or failing him/her, the Chairman of the Annual General Meeting as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the 25th Annual General Meeting ("**AGM**") of the Company to be held by way of electronic means on Thursday, 27 April 2023 at 10.30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarized below, the proxy/proxies will vote or abstain from voting at his/their discretion:-

No.	Ordinary Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2022, the Directors' Statement together with the Auditors' Report thereon.			
2.	To declare a first and final tax-exempt (1-tier) dividend of S$0.001 per ordinary share for the financial year ended 31 December 2022.			
3.	To approve Directors' fees of S$176,000 for the financial year ending 31 December 2023, payable quarterly in arrears. (2022: S$176,000)			
4.	To re-elect Mr Tan Kok Hiang (Retiring under Regulation 107)			
5.	To re-elect Mr Samuel Poon Hon Thang (Retiring under Regulation 107)			
6.	To re-elect Mr Adrian Toh Jia Sheng (Retiring under Regulation 112)			
7.	To appoint Messrs Mazars LLP as auditors of the Company in place of retiring auditors, Messrs KPMG LLP and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
8.	To authorise the Directors to allot and issue shares pursuant to the Share Issue Mandate.			
9.	To approve the Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions.			
10.	To approve the Proposed Renewal of the Shares Purchase Mandate.			
11.	To authorise the Directors to offer and grant awards and to allot and issue shares under the Enviro-Hub Share Award Scheme 2022.			

Note:
If you wish to exercise all your votes "For", "Against" or "Abstain" the resolution, please insert [✓] within the relevant box provided. Alternatively, please indicate the number of Shares as appropriate.

Dated this ______________ day of ______________ 2023.

Total Number of Shares held	
CDP Register	
Register of Members	

____
Signature(s) of Member(s) or, Common Seal of Corporate Shareholder
IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the register of members of the Company (the "**Register of Members**"), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. To keep physical interactions and COVID-19 transmission risk to a minimum, the Company is not providing for physical attendance by members at the AGM. Instead, alternative arrangements relating to members' participation at the AGM are:
   (a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the AGM on his/her/its behalf; or
   (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.

   Where a Shareholder (whether individual or corporate) appoints the Chairman of the Meeting 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 Meeting as proxy for that resolution will be treated as invalid.

   A Shareholder can appoint the Chairman of the meeting as his/her/its proxy but this is not mandatory.
3. Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM. Relevant intermediary is either:
   (a) a banking corporation licensed under the Banking Act 1970 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;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
   (c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953 of Singapore (the "**CPF Act**"), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF 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 Meeting 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 17 April 2023.

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Affix
Postage
Stamp
Here

The Company Secretary
ENVIRO-HUB HOLDINGS LTD
3 Gul Crescent
Singapore 629519

Fold along this line

4. A proxy need not be a Shareholder of the Company.
5. A Shareholder of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his stead at the AGM. Such proxy need not be a Shareholder of the Company.
6. The Proxy Form can be submitted in the following manner by 10.30 a.m. on 24 April 2023, being at least 72 hours before the time for holding the AGM:
   a. if submitted by post, be deposited at the Company's registered office at 3 Gul Crescent, Singapore 629519; or
   b. if submitted electronically, be submitted via email to info@enviro-hub.com

   A Shareholder 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. Shareholders are strongly encouraged to submit completed proxy forms electronically via email.
7. The instrument appointing a proxy(ies) must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) 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 authorized.
8. Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:
   (a) by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be an officer or duly authorised attorney of a corporation; or
   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
9. The Company shall be entitled to reject the Proxy Form if it is incomplete or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

10 Shareholders should take note that once this proxy form is submitted electronically via email to info@enviro-hub.com or posted/deposited to office of the Company's Registered office 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