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GST Reg No: M90367530Y0Y

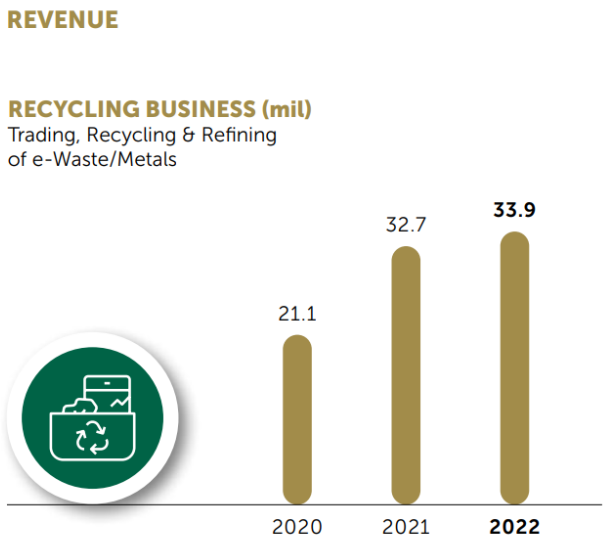
Issuer: Enviro-Hub Holdings Ltd

Stock code: L23

Meeting details:
Date: 27 April 2023
Time: 10.30 a.m.
Venue: <<live webcast>

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Q1. Revenue from the e-waste management solutions and recycling services increased to $33.9 million (2021: $32.7 million) although the segment profit decreased from $6.1 million in 2021 to $5.4 million in 2022. This was attributed to higher overhead expenses.



(Source: company annual report)

(i) **Can management provide shareholders with more information on the activities within the segment and show the contributions from trading, recycling and refining of electronic waste (e-waste) and platinum group metals (PGM) refining?**

(ii) **What is the group's market share in the relevant industry?**

(iii) **Can management provide shareholders with specific information about the group's investments in sustainable and eco-friendly solutions (page 5), as well as how these investments set the company apart from other recyclers in the market?**

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Q2. As noted in the corporate profile, in 2021, the group expanded into the healthcare industry with the acquisition of Malaysian glove manufacturer Pastel Glove Sdn Bhd (PGSB) and further grew the segment by investing in a retail pharmaceutical business in Malaysia.

The group first made an investment in PGSB in January 2021 by way of a subscription of an initial 25% equity stake for approximately US$0.125 million and the grant of a US$4.875 million interest-free shareholders' loan to PGSB. In May 2021, the group followed up with the proposal to acquire the remaining 75% share capital from existing shareholders for a consideration of $46.8 million.

In announcing the deal, the chairman had stated the following:

> *"Once the deal is completed, the group will have absolute control of the lucrative glove operation of PGSB which will not only generate a strong bottom-line but also positive cash flow. The cash flow will help the Group expand its new healthcare products business line. The management team from PGSB has a wealth of experience in the PPE business and they are committed to growing the healthcare products business division in Enviro-Hub rather than just focusing on PGSB. Their know-how in sophisticated clean room and medical gloves set-up will aid our expansion efforts by way of acquisition and/or organic growth in our healthcare products business line."*

(i) **Can the board provide details on the extent of commercial due diligence carried out prior to the proposed acquisition of the remaining 75% of PGSB?**

(ii) **Were the risks associated with the potential over-supply of gloves in the market identified and assessed by the board during the acquisition process?**

(iii) **How did the board assess the competitiveness of PGSB, given its relatively short track record in the industry?**

The healthcare business segment reported a segment revenue of $6.1 million. Segment loss was $(513,000) while the share of loss of associate was $(227,000).

(iv) **Can management provide more information on the scale of the glove operations and how PGSB is differentiating itself from other manufacturers in the highly competitive market?**

(v) **Separately, regarding the retail pharmaceutical business, can the board provide further information on the competitive advantage of the group?**

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Q3. The independent directors are Mr Samuel Poon Hon Thang (also lead independent director), Mr Tan Kok Hiang and Dr Teo Ho Pin. The directors were appointed on 26 September 2006, 21 May 1999 and 8 March 2022.

On 11 January 2023, Singapore Exchange Regulation (SGX RegCo) announced that it will limit the tenure of independent directors (IDs) serving on the boards of listed issuers to nine years[1]. This stemmed from recommendations by the Corporate Governance Advisory Committee (CGAC). There was broad market support for this change during the public consultation carried out by SGX RegCo.

On page 17, the company disclosed that "the board is mindful of the Listing Rule changes and will be taking active steps on board renewal".

Mr Tan Boon Gin, CEO of SGX RegCo, also noted that the limit on tenure of IDs provides an opportunity for companies to inject new skills, experience and knowledge into their boards, all of which will be invaluable in guiding the business for the long term.

(i) **Has the nominating committee (NC) reviewed the current competency matrix of the board and identified any gaps in skills or competencies that need to be addressed in future director appointments?**

(ii) **Can the NC elaborate further on the search and nomination process for directors, especially independent directors? Will the NC be using a third-party search firm and/or professional body to cast its net wider for potential candidates?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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[1] https://www.sgxgroup.com/media-centre/20230111-sgx-regco-caps-independent-directors-tenure-enhances-remuneration