

Press Release

Enviro-Hub Reports FY2022 Results

- Revenue rose 9.2% y-o-y to S\$44.1 million due to contributions from its e-waste recycling and healthcare businesses
- The Group continued to generate a positive operating cashflow
- The Group proposed a final dividend of 0.1 S cents per share, representing a payout ratio of 66.7% of FY2022 net profit attributable to shareholders
- Recycling processing capacity expansion project is expected to be completed in 2H2023. This ensures sufficient growth headroom for any impending increase in processing volume

SINGAPORE, February 22, 2023 – Enviro-Hub Holdings Ltd (SGX: L23) (“Enviro-Hub” or the “Company”, and together with its subsidiaries, the “Group”) is pleased to announce its financial results for the full year ended 31 December 2022 (“FY2022”).

FY2022 Performance

(S\$ million)	FY2022	FY2021	Change (%)
Revenue	44.1	40.4	9.2
Gross Profit	5.9	9.2	-36.0
<i>Gross Profit Margin</i>	13.4%	22.8%	
Net Profit	6.2	5.6	10.5
Net Profit Attributable to Owners of the Company	2.2	2.7	-17.1
Diluted Earnings per share (S cents)	0.15	0.21	
Dividend per share (S cents)	0.1	N.A	

Revenue grew 9% y-o-y, reaching S\$44.1 million in FY2022, primarily due to growth in the Group’s e-waste recycling business and contributions from the healthcare segment following the completion of the acquisition of Pastel Glove Sdn. Bhd. (“PGSB”) in October 2021. This

was partially offset by a decrease in income from the Group's property investments and piling revenue.

Gross profit contracted 36.0% y-o-y to S\$5.9 million during the same period due to gross losses in the Group's healthcare and construction segments. This led to a narrowing in gross profit margins to 13.4%.

Other income rose 73.2% y-o-y to S\$11.0 million in FY2022, mainly resulting from the provision of guaranteed income and greater fair value gains on investment properties.

As a result, net profit attributable to owners of the Company decreased 17.1% y-o-y to S\$2.2 million in FY2022. The Group continued to generate positive net operating cashflow of S\$1.9 million during the period. In FY2022, the Group disposed of around S\$11.1 million worth of investment properties and assets held for sale, as the Group shifted its strategic focus toward its e-waste recycling and healthcare businesses.

The Group remains optimistic about its future growth trajectory in e-waste recycling and healthcare segments. As part of the Group's commitment to consistently reward shareholders, it has proposed a final dividend of 0.1 S cents per share to show appreciation for the unwavering support of its shareholders despite the challenging operating environment. This represents a payout ratio of 66.7% of the Group's net profit attributable to shareholders in FY2022.

Segmental Revenue (S\$ million)	FY2022	FY2021	Change (%)
Recycling of e-waste	33.9	32.7	3.6
Property investments	1.8	2.4	-26.5
Piling contracts	2.4	3.7	-35.5
Manufacturing and trading of healthcare products	6.1	1.6	>100
Total Revenue	44.1	40.4	9.1

Commenting on the results, Executive Chairman of Enviro-Hub, Mr Raymond Ng said, ***“As we continue to navigate through a period of economic volatility, we are proud to deliver***

continued revenue growth in our e-waste recycling segment. The rapid expansion of our retail pharmaceutical brand and our on-going strategic collaborations with healthcare providers in Malaysia reaffirms our commitment to improving the region's health infrastructure. We are optimistic about the outlook of our core businesses and believe it will unlock sustainable returns for our shareholders."

Business Outlook

As the global COVID-19 situation continues to show signs of improvement, most countries are progressively easing COVID-19 border restrictions. Despite this, the economic outlook remains uncertain as businesses face the combined impact of high inflation, rising interest rates, and the potential of a recession.

The Group's e-waste recycling processing capacity expansion project is slated to complete by 2H2023. The expansion will increase processing capacity by 41.7% to 5,100 tonnes per year. As such, the Group is well-positioned to capitalise on any potential increase in processing volume and contract size from new and existing customers.

Despite lower selling prices and muted plant utilisation rates across the rubber glove industry, the downside for Enviro-Hub is minimised by the undertaking provided by PGSB's founder, Mr. Law Siau Woei ("**LSW**"). LSW undertakes to the Enviro-Hub that, in the event that PGSB incurs a net loss after tax ("**NLAT**") for any of the financial years from 1 January 2022 to 31 December 2024, he shall be liable to make payment to PGSB equivalent to the NLAT for that relevant financial year.

That said, the Group remains optimistic about the structural growth of the rubber glove industry post-consolidation. According to Malaysia Rubber Glove Manufacturers Association (MARGMA) in September 2022, normalisation of glove supply-demand equilibrium will occur within six to nine months, while global demand for rubber gloves is projected to grow at 10 to 12% per year¹.

¹ <https://www.theedgemarkets.com/article/glove-supplydemand-equilibrium-six-nine-months-says-margma-president>

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.

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Note to media: Please read this press release in conjunction with the Company's announcement released on SGXnet.

About Enviro-Hub

Singapore-listed Enviro-Hub Holdings Ltd ("Enviro-Hub") has 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, as well as plastics to fuel refining. In 2021, Enviro-Hub diversified into the healthcare business with its investment in Malaysian glove manufacturer, Pastel Glove, marking the Group's foray into the glove manufacturing and healthcare consumables sectors, which offer robust long-term prospects.

For more information, please visit us at <http://www.enviro-hub.com/>

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