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## INCORPORATION OF JOINT VENTURE COMPANY IN MALAYSIA

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### 1. INTRODUCTION

The board of directors of Enviro-Hub Holdings Ltd. (the “**Company**”) together with its subsidiaries (collectively, the “**Group**”) wishes to announce that its indirect wholly-owned subsidiary, Pastel Glove Sdn. Bhd. (“**PGSB**”) and the Company’s controlling shareholder, Mr. Law Siau Woei (“**LSW**”) have incorporated the following joint venture company (the “**JV Company**”) in connection with a proposed joint venture between PGSB and LSW (the “**Proposed Joint Venture**”).

Details of the JV Company are as follows:

Name of JV Company	:	Pastel Care Sdn Bhd
Date of Incorporation	:	8 December 2021
Country of Incorporation	:	Malaysia
Initial issued and paid-up share capital	:	RM10 comprising 10 ordinary shares
Shareholding percentage in JV Company	:	PGSB – 40% LSW – 60%
Principal activity	:	Retail sale of pharmaceuticals, medical and orthopedic goods (the “ <b>Pharmacy Business</b> ”)

On incorporation, the JV Company will be an associated company of the Company.

The Proposed Joint Venture is subject to the entry into a definitive joint venture agreement (the “**Definitive JVA**”).

### 2. RATIONALE FOR THE INCORPORATION OF THE JV COMPANY

The Company continually seeks opportunities for the development and growth of the Company’s business and operations, and has incorporated the JV Company with a view to amongst other things, optimise its investment risk, improve the efficiency in the use of funds as well as explore alternatives to increase the revenue of the Group.

The setting-up of the JV Company is in line with the Group’s healthcare products business and will allow the Group to tap on LSW’s resources, experience and expertise in the healthcare field to strengthen the Group’s healthcare products business.

### 3. THE INCORPORATION OF THE JV COMPANY AS AN INTERESTED PERSON TRANSACTION

As at the date hereof, LSW holds approximately 18.51% of the Company's shares and is therefore a controlling shareholder of the Company. By virtue of his being a controlling shareholder of the Company, he is regarded as an "interested person" within the meaning of Chapter 9 of the Mainboard Rules of the SGX-ST (the "**Listing Manual**"). PGSB, being a subsidiary of the Company, is regarded as an "entity at risk" within the definition set out in Chapter 9 of the Listing Manual. Accordingly, the incorporation of the JV Company will be regarded as an interested person transaction ("**IPT**") and the requirements of Chapter 9 of the Listing Manual are applicable.

#### **4. NON-DISCLOSEABLE INTERESTED PERSON TRANSACTION**

As the value of the transaction, being the subscription price for shares in the JV Company of RM4, is less than 3% of the Group's latest audited net tangible asset value and is less than S\$100,000. Accordingly, there is no requirement for any announcement to be made or any shareholders' approval to be obtained in relation thereto under Chapter 9 of the Listing Manual.

#### **5. EXCEPTIONS TO THE REQUIREMENT FOR SHAREHOLDERS' APPROVAL AND STATEMENT OF THE AUDIT COMMITTEE**

In addition, pursuant to Listing Rule 916(2), an investment in a joint venture with an interested person is not required to comply with Listing Rule 906 if:

- (a) the risks and rewards are in proportion to the equity of each joint venture partner;
- (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
- (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.

The Audit Committee of the Company, having reviewed and considered the incorporation of the JV Company, is of the view that the risks and rewards of the Incorporation of the JV Company are in proportion to the equity of each joint venture partner and the terms of the incorporation of the JV Company are not prejudicial to the interests of the Company and its minority shareholders.

LSW did not have an existing equity interest in the JV Company prior to PGSB's subscription for shares in the JV Company on incorporation of the JV Company.

Accordingly, the conditions in Listing Rule 916(2) are satisfied and the incorporation of the JV Company is not subject to shareholders' approval required under Listing Rule 906.

#### **6. TOTAL VALUE OF ALL INTERESTED PERSON TRANSACTIONS**

The current total value of all IPTs, excluding transactions which are less than S\$100,000, with (a) LSW; and (b) all interested persons of the Company, for the period from 1 January 2021 to the date of this announcement (prior to and immediately after the incorporation of the JV Company), and the percentage of the Group's audited net tangible assets ("**NTA**") as at 31 December 2020, are as follows:

	Prior to the incorporation of the JV Company		Immediately after the incorporation of the JV Company	
	Amount (S\$'000)	Percentage of audited NTA of the Group (%)	Amount (S\$'000)	Percentage of audited NTA of the Group (%)
Total value of all transactions with LSW <sup>(1)</sup>	27,209 <sup>(2)</sup>	52%	27,209 <sup>(2)</sup>	52%
Total value of all transactions with interested persons of the Company	27,209 <sup>(2)</sup>	52%	27,209 <sup>(2)</sup>	52%

**Note:**

(1) The Company and its subsidiary, Enviro Healthcare Pte. Ltd., previously acquired the entire issued and paid-up share capital of PGSB from LSW and Mr. Choo Kuan Ping. Pursuant to the acquisition, a total of 283,725,000 new shares were issued to LSW and/or his nominees, and LSW became a controlling shareholder of the Company as a result.

(2) Excluding contingent consideration of S\$17,550,000 which is subject to PGSB's future financial performance.

**7. FINANCIAL EFFECTS OF THE INCORPORATION OF THE JV COMPANY**

The initial capital contribution of PGSB will be funded through internal resources. At this stage, the incorporation of the JV Company is not, in itself, expected to have any material financial impact on the consolidated NTA per share and consolidated earnings per share of the Group for the current financial year ending 31 December 2021.

**8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for LSW, none of the directors and/or controlling shareholders of the Company has any interest, direct or indirect, in the incorporation of the JV Company, other than through their respective direct and indirect shareholdings and/or directorships in the Company.

**9. CAUTIONARY STATEMENT**

As the Proposed Joint Venture is subject to negotiations and there is no certainty as to whether (i) the parties will proceed with the Pharmacy Business and/or (ii) the Definitive JVA will be entered into, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The Company will provide further updates as appropriate or when there are material developments thereon, including when a Definitive JVA has been entered into.

BY ORDER OF THE BOARD

Raymond Ng Ah Hua  
Executive Chairman  
9 December 2021