

## Press Release

# Enviro-Hub: Update on Pastel Glove

### Highlights:

- Following the investment by Enviro-Hub on 31 Jan 2021, Pastel Glove recorded a profit of RM 2.1 million between 1 February 2021 to 30 June 2021
- Net loss of Pastel Glove for 9 months ended 30 June 2021 was mainly due to initial one-off cost incurred prior to the acquisition
- Pastel Glove's production expected to ramp up in the second half of FY2021, becoming a key contributor to the Group
- Operations in Malaysia remained in expansion despite the pandemic situation
- Employees in the manufacturing plant in Ipoh, Perak, are all fully vaccinated. Pastel glove ensures safe management in force at all times

SINGAPORE, August 06, 2021—Enviro-Hub Holdings Ltd (SGX: L23) (“Enviro-Hub” or the “Company”, and together with its subsidiaries, the “Group”) refers to the announcement made on 5 August 2021 (“the announcement”) regarding the proposed acquisition of 75% of the ordinary shares in the capital of Pastel Glove Sdn. Bhd. (“Pastel Glove” or “PGSB”). Following the release of the announcement, the Company has received some questions from its shareholders, and the Directors wish to provide further clarifications as set out below:

1. It was stated in the announcement on 7 August 2021 that “The net losses before tax attributable to the Sale Shares is RM366,406 (equivalent to approximately S\$118,196), based on PGSB’s results for the period of 9 months ended 30 June 2021.” What was the loss due to?

The Net losses incurred at PGSB for the 9 months ended 30 June 2021 is due to one off non-recurring consultancy fees incurred in relation to a fund-raising exercise by PGSB, which took place prior to the Company's Initial Investment that completed in January 2021.

**2. Is Pastel Glove profitable post acquisition?**

Enviro-Hub completed the acquisition of its 25% stake in Pastel Glove on 31 January 2021. Between 1 February 2021 to 30 June 2021, Pastel Glove recorded a profit of RM 2.1 million (~S\$0.7 million).

Based on a preliminary review of the Group's unaudited financial statements for the half year ended 30 June 2021 ("1HFY2021"), the Group is expected to record a positive income from the share of profit from associate. Further details of the Group's financial performance will be set out in the Company's unaudited financial statements for 1HFY2021, which will be announced no later than 14 August 2021.

**3. Are there any more one-off costs to be incurred by Pastel Glove?**

The Group does not expect to incur any more one-off costs for the installation of additional production lines by Pastel Glove.

**4. When did Pastel Glove manufacture gloves and how it will contribute to Enviro-Hub's financial performance?**

Pastel Gloves install and commission its first and second production line in March and May 2021 respectively after its acquisition of its 25% stake in PGSB. Despite the short period, Pastel Glove could contribute positively to Enviro-Hub's financial performance in first half of FY2021, mainly attributable to the operational excellence of its management, Mr Law Siau Woei, and Mr. Choo Kuan Ping who have over 20 years of experience in the gloves manufacturing industry.

**5. Any plans to expand production lines?**

Production is expected to ramp up in the second half of FY2021, as the group adds new production lines. Pastel Gloves is amid commissioning its fourth and fifth production line. The total production capacity for all 6 units of production lines is expected to produce 1.42 billion pieces of glove per annum.

Demand for the Group's gloves remains strong, with the Group's production line currently operating near full utilisation and with an order lead time of about 6 months. 70% of the Group's current product mix is now focused on specialty gloves such as 10g healthcare gloves and black latex gloves which carry higher average selling prices and margins than normal nitrile gloves.

**#End#**

**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 acquisition of 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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