



## **Riverstone Holdings Limited**

*(Incorporated in Singapore)*

(SGX: AP4)

### **VOLUNTARY ANNOUNCEMENT**

#### **Unaudited Business Update for the First Quarter (“1Q2021”) ended 31 March 2021**

Without prejudice to or derogating from the generality of the foregoing, no representation or assurance is given by Riverstone Holdings Limited (“the Company”) that this unaudited business update contains all information that an investor may require. To the extent permitted by applicable law, the Company or its related persons (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) arising from the reliance or use of the information contained in this unaudited business update.

Shareholders and potential investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

## Financial Highlights

<u>RM million</u>	<u>1Q2021</u>	<u>1Q2020</u>	<u>Change (%)</u>
Revenue	1,032.3	279.4	269.5
Gross Profit	708.3	67.1	955.1
Profit Before Tax	683.9	58.0	1,079.6
Net Profit to Equity Holders	522.7	46.6	1,021.7

	<u>As at 31 March 2021</u>	<u>As at 31 December 2020</u>
Cash & Cash Equivalents (RM '000)	1,091,350	648,943

## Operational Review

In 1Q2021, demand for personal protection equipment including the Group's healthcare examination glove products remains strong as healthcare systems globally continue to fulfil immediate supply shortfalls and replenish security reserves. Similarly, the volume of the Group's high-tech cleanroom gloves sold continues to grow due to robust demand from the technology sector including electronics, semiconductors, batteries, sensors and lenses manufacturers. Collectively, this led to the Group recording a significant 269.5% year-on-year ("yoy") increase in revenue to RM1.0 billion for 1Q2021.

While production costs including packaging and raw material costs remain elevated during this period, the surge in average selling prices of glove products has led to a 955.1% yoy increase in gross profit to RM708.3 million for 1Q2021. Correspondingly, the Group's blended gross profit margin expanded 44.6 percentage points yoy to 68.6% for 1Q2021. Overall, this led to the Group recording a 1,021.7% yoy surge in net profit attributable to shareholders to RM522.7 million for 1Q2021.

The Group continues to generate robust cash inflows from operations which has contributed to the resiliency of its balance sheet. With cash and cash equivalents amounted to RM1.1 billion as at the end of 31 March 2021, the Group's deep war chest will facilitate its expansion plans to drive future growth and weather the macroeconomic uncertainties associated with the Covid-19 pandemic.

## Outlook

Phase 6 of the Group's expansion plans have been fully commissioned at the end of 2020. The seven production lines from phase 6 raises the Group's total production capacity by 1.5 billion pieces to 10.5 billion pieces of gloves annually. As the Group continues to experience strong demand for both its healthcare and cleanroom gloves, its current orderbook has been filled up to the end of 2021.

Looking ahead, the Group has completed construction of its new production facility for Phase 7 of its expansion plans. Overall, the Group will add seven production lines in total for Phase 7 which is expected to add up to 1.5 billion pieces of gloves to bring total annual production capacity by up to 12.0 billion pieces by the end of 2021.

Executive Chairman and CEO, **Mr. Wong Teek Son (黄德顺)** remarked, "*Positioning ourselves to capture growth, we have embarked on our new three-year expansion plan in the second half of 2020 beginning with Phase 7 which will bring our total production capacity to 12.0 billion pieces of gloves by end FY2021. Similarly, another 1.5 billion pieces of glove capacity will subsequently be added each year in FY2022 and FY2023 to bring our total annual production capacity to 15.0 billion pieces of gloves by the end of that period, representing a growth rate of 42.9%.*

*Apart from purely raising our dipping line capacity, we have also earmarked a new industrial land bank that we acquired in January 2021 for the development of our new cleanroom glove processing facility. This new facility will be able to process more than 2.5 billion pieces of cleanroom gloves per annum, up from the current 2.0 billion. As a result, the new capacity coming online will not only help us satisfy the growing orders from both new and existing customers, but allow us to strengthen our position in the high-end cleanroom glove market. As a clear market leader in the high-end cleanroom glove space, we remain positive that our diversified income stream from both the healthcare and cleanroom segment will ensure earnings resiliency and sustainable growth for Riverstone over the long-term."*

– The End –

**About Riverstone Holdings Limited (“Riverstone” or 立合斯顿有限公司)**

Malaysia-based Riverstone is a global market leader in the manufacturing of nitrile and natural rubber clean room gloves used in highly controlled and critical environments as well as premium nitrile gloves used in the healthcare industry. The company’s proprietary “RS Riverstone Resources” brand is the preferred cleanroom glove for use in high-tech manufacturing industries. The company also manufactures cleanroom consumables such as finger cots and facemasks. Its customers are global leaders in the HDD, LCD, semiconductor, consumer electronics, pharmaceutical and healthcare industries. The company employs more than 4,000 people throughout its six manufacturing facilities in Malaysia (4), Thailand (1) and China (1) with an annual production capacity of 10.5 billion gloves as at 31 December 2020. It also has an established global network of sales offices to serve its customers in Singapore, Malaysia, Thailand, the Philippines, China and the U.S. Riverstone was listed on the Mainboard of the Singapore in 2006. ([www.riverstone.com.my](http://www.riverstone.com.my))

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**Issued for and on behalf of Riverstone Holdings Limited by Financial PR**

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