



Riverstone Holdings Limited

(Incorporated in Singapore)

(SGX: AP4)

Unaudited Business Update for the Third Quarter (“3Q2021”) ended 30 September 2021

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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 (Unaudited)

<u>RM million</u>	<u>3Q2021</u>	<u>3Q2020</u>	<u>Change (%)</u>
Revenue	652.8	482.3	35.3
Gross Profit	357.2	251.6	42.0
Profit Before Tax	350.2	232.4	50.7
Net Profit to Equity Holders	266.4	178.6	49.2

	<u>As at 30 September 2021</u>	<u>As at 31 December 2020</u>
Cash & Cash Equivalents (RM million)	1,763.6	648.9

Operational Review

Demand for the Group's healthcare examination gloves has continued to grow despite the pandemic moving into the endemic phase in many parts of the world. Market prices however have begun to normalise progressively in 3Q2021 as major distributors have taken a wait-and-see approach for glove prices to stabilise.

On the other hand, demand for the Group's high-tech cleanroom gloves remains robust, driven by a sustained growth in orders from the Group's long-term customers within the electronics, semiconductors, batteries, sensors and lenses manufacturers. As a result of the above, the Group recorded a 35.3% year-on-year ("yoy") increase in revenue to RM652.8 million for 3Q2021.

Similarly, gross profit rose 42.0% yoy to RM357.2 million for 3Q2021, as average selling prices remain comparatively higher than pre-pandemic levels. Collectively, the Group recorded a blended gross profit margin of 54.7% for 3Q2021.

Overall, this led the Group to post a 49.2% yoy increase in net profit attributable to shareholders to RM266.4 million for 3Q2021.

The Group continues to generate strong operating cash flows of RM449.0 million for 3Q2021 which has contributed to the resiliency of its balance sheet. Supported by cash and cash equivalents of RM1.8 billion as at 30 September 2021, the Group remains in a strong position to further its capacity expansion plans and navigate the prevailing industry headwinds.

Outlook

For Phase 7 of the Group's capacity expansion plans, the Group faced temporary delays as a result of the disruption to construction and other related works caused by the Movement Control Order (MCO) in Malaysia. Accordingly, the additional 1.5 billion pieces of new production capacity for Phase 7 will come online by 1Q2022.

Beyond Phase 7, preparations for the Group's latest production facility for Phase 8 is currently underway. Subject to prevailing market conditions, Phase 8 is slated to add up to 1.5 billion pieces of gloves to bring the total annual production capacity of the Group by up to 13.5 billion by FY2022/23.

Executive Chairman and CEO, **Mr. Wong Teek Son (黄德顺)** remarked, "*While we remain cognisant of the current industry situation, we continue to set our sights on longer-term prospects to achieve sustainable growth. For one, our differentiated business model driven by our industry leading cleanroom glove business will provide the necessary support as we navigate the evolving healthcare glove market. We will also continue our focus on developing new and innovating products to diversify our income streams by capturing new market segments, namely in food processing, pharmaceutical as well as surgical glove segments to fuel growth. Backed by our robust financial position and the continued support of our long-term customers, we are confident of navigating the near-term headwinds and remain positive of our future prospects.*"

– 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)

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

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