

Company Registration No. 200510666D

Riverstone Holdings Limited

Condensed Interim Consolidated Financial Statements
For the first quarter and three months ended 31 March 2024

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Riverstone Holdings Limited and Subsidiary Companies

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	1Q2024 1 Jan 2024 to 31 Mar 2024 RM'000	1Q2023 1 Jan 2023 to 31 Mar 2023 RM'000
Revenue	4	249,471	238,001
Cost of sales		(152,002)	(176,056)
Gross profit		97,469	61,945
Other income		7,807	8,185
Selling and distribution expenses		(3,628)	(3,562)
General and administrative expenses		(10,602)	(7,620)
Other operating income – net		691	662
Operating profit		91,737	59,610
Finance costs		(14)	–
Profit before taxation	6	91,723	59,610
Income tax expense	7	(19,538)	(12,891)
Profit for the financial period		72,185	46,719
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gain		1,493	5,443
Other comprehensive income for the financial period		1,493	5,443
Total comprehensive income for the financial period		73,678	52,162
Profit attributable to:			
Equity holders of the Company		72,185	46,718
Non-controlling interests		– (1)	1
		72,185	46,719
Total comprehensive income attributable to:			
Equity holders of the Company		73,678	52,161
Non-controlling interests		– (1)	1
		73,678	52,162
Earnings per share			
Basic (sen)		4.87	3.15
Diluted (sen)		4.87	3.15

(1) Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiary Companies

B. Condensed interim statements of financial position

	Note	Group		Company	
		31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Non-current assets					
Property, plant and equipment	11	711,814	726,026	–	–
Investments in subsidiaries		–	–	229,941	228,563
Deferred tax assets		1,359	1,101	–	–
		<u>713,173</u>	<u>727,127</u>	<u>229,941</u>	<u>228,563</u>
Current assets					
Inventories		90,961	83,183	–	–
Trade receivables		149,575	128,001	–	–
Other receivables		6,912	5,632	3,720	2,208
Prepayments		3,694	4,272	105	60
Derivatives	10	298	1,540	–	–
Cash and cash equivalents		947,640	875,433	436,367	404,742
		<u>1,199,080</u>	<u>1,098,061</u>	<u>440,192</u>	<u>407,010</u>
Total assets		<u>1,912,253</u>	<u>1,825,188</u>	<u>670,133</u>	<u>635,573</u>
Current liabilities					
Payables and accruals		74,730	71,525	526	490
Amount due to a subsidiary company		–	–	29	–
Lease liabilities	12	507	495	–	–
Contract liabilities		–	628	–	–
Provision for taxation		22,392	11,940	2,253	2,240
		<u>97,629</u>	<u>84,588</u>	<u>2,808</u>	<u>2,730</u>
Net current assets		<u>1,101,451</u>	<u>1,013,473</u>	<u>437,384</u>	<u>404,280</u>
Non-current liabilities					
Lease liabilities	12	397	523	–	–
Employee benefit obligations		919	930	–	–
Deferred tax liabilities		58,066	57,583	–	–
		<u>59,382</u>	<u>59,036</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>157,011</u>	<u>143,624</u>	<u>2,808</u>	<u>2,730</u>
Net assets		<u>1,755,242</u>	<u>1,681,564</u>	<u>667,325</u>	<u>632,843</u>

Riverstone Holdings Limited and Subsidiary Companies

B. Condensed interim statements of financial position (cont'd)

	Note	Group		Company	
		31	31	31	31
		March 2024 RM'000	December 2023 RM'000	March 2024 RM'000	December 2023 RM'000
Equity attributable to owners of the Company					
Share capital	13	156,337	156,337	156,337	156,337
Treasury shares		(815)	(815)	(815)	(815)
Reserves		1,599,717	1,526,039	511,803	477,321
		1,755,239	1,681,561	667,325	632,843
Non-controlling interests		3	3	–	–
Total equity		1,755,242	1,681,564	667,325	632,843
Total equity and liabilities		1,912,253	1,825,188	670,133	635,573

Riverstone Holdings Limited and Subsidiary Companies

C. Condensed interim statements of changes in equity

Group	Attributable to equity holders of the Company				Total reserves RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital (Note 13) RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves RM'000			
2024							
Balance at 1 January 2024	156,337	(815)	1,535,039	(9,000)	1,526,039	3	1,681,564
Profit for the financial period	–	–	72,185	–	72,185	– ⁽¹⁾	72,185
Other comprehensive income for the financial period	–	–	–	1,493	1,493	–	1,493
Total comprehensive income for financial period	–	–	72,185	1,493	73,678	– ⁽¹⁾	73,678
Balance at 31 March 2024	156,337	(815)	1,607,224	(7,507)	1,599,717	3	1,755,242
2023							
Balance at 1 January 2023	156,337	(815)	1,729,668	(32,265)	1,697,403	4	1,852,929
Profit for the financial period	–	–	46,718	–	46,718	1	46,719
Other comprehensive income for the financial period	–	–	–	5,443	5,443	–	5,443
Total comprehensive income for financial period	–	–	46,718	5,443	52,161	1	52,162
Dividends (Note 8)	–	–	(118,574)	–	(118,574)	–	(118,574)
Balance at 31 March 2023	156,337	(815)	1,657,812	(26,822)	1,630,990	5	1,786,517

⁽¹⁾ Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiary Companies

C. Condensed interim statements of changes in equity (cont'd)

Company	Share capital (Note 13) RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves RM'000	Total reserves RM'000	Total equity RM'000
2024						
Balance at 1 January 2024	156,337	(815)	381,320	96,001	477,321	632,843
Profit for the financial period	–	–	30,978	–	30,978	30,978
Other comprehensive income for the financial period	–	–	–	3,504	3,504	3,504
Total comprehensive income for the financial period	–	–	30,978	3,504	34,482	34,482
Balance at 31 March 2024	156,337	(815)	412,298	99,505	511,803	667,325
2023						
Balance at 1 January 2023	156,337	(815)	407,104	63,423	470,527	626,049
Profit for the financial period	–	–	200,112	–	200,112	200,112
Other comprehensive income for the financial period	–	–	–	6,823	6,823	6,823
Total comprehensive income for the financial period	–	–	200,112	6,823	206,935	206,935
Dividends (Note 8)	–	–	(118,574)	–	(118,574)	(118,574)
Balance at 31 March 2023	156,337	(815)	488,642	70,246	558,888	714,410

Riverstone Holdings Limited and Subsidiary Companies

D. Condensed interim consolidated statement of cash flows

	1Q2024 1 Jan 2024 to 31 Mar 2024 RM'000	1Q2023 1 Jan 2023 to 31 Mar 2023 RM'000
Cash flows from operating activities		
Profit before taxation	91,723	59,610
Adjustments for:		
Depreciation of property, plant and equipment	15,926	14,920
Property, plant and equipment written off	45	31
Loss/ (gain) on disposal of property, plant and equipment	44	(33)
Fair value loss on derivatives	1,616	495
Interest expense	14	–
Interest income	(7,553)	(7,880)
Foreign exchange differences	(26,258)	(258)
Operating cash flows before working capital changes	75,557	66,885
Increase in inventories	(7,778)	(12,404)
Increase in receivables and prepayments	(22,276)	(11,654)
(Decrease)/ increase in employee benefit obligations	(11)	30
Increase in payables, accruals and contract liabilities	2,577	9,249
Cash flows generated from operations	48,069	52,106
Interest paid	(14)	–
Interest received	7,553	7,880
Income tax paid	(8,861)	(13,704)
Net cash flows generated from operating activities	46,747	46,282
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	24	34
Purchase of property, plant and equipment	(1,933)	(8,634)
Net cash flows used in investing activities	(1,909)	(8,600)
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(274)	(294)
Dividends paid	–	(118,574)
Net cash flows used in financing activities	(274)	(118,868)

Riverstone Holdings Limited and Subsidiary Companies

D. Condensed interim consolidated statement of cash flows (cont'd)

	1Q2024 1 Jan 2024 to 31 Mar 2024 RM'000	1Q2023 1 Jan 2023 To 31 Mar 2023 RM'000
Net increase/ (decrease) in cash and cash equivalents	44,564	(81,186)
Effect of foreign currency exchange rates	27,643	5,621
Cash and cash equivalents at beginning of financial period	875,433	1,066,061
Cash and cash equivalents at end of the financial period	947,640	990,496

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Riverstone Holdings Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the three months ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out as below:

Name of company (Country of incorporation)	Principal activities
(1) Riverstone Resources Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots
Riverstone Cleanroom Products Sdn Bhd Formerly known as Riverstone Industrial Products Sdn Bhd (Malaysia)	Manufacturer of plastic bags and trader in latex products
(2) Eco Medi Glove Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots
Eco Star Glove Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots
Protective Technology Co. Ltd (Thailand)	Manufacturer and distributor of cleanroom gloves
Riverstone Resources (S) Pte Ltd (Singapore)	Distributor of cleanroom products

(1) Subsidiary company held by Riverstone Resources Sdn Bhd:

Name of company (Country of incorporation)	Principal activities
Riverstone Resources (Wuxi) Co. Ltd (People's Republic of China)	Processing and packing of cleanroom gloves

(2) Subsidiary company held by Eco Medi Glove Sdn Bhd:

Name of company (Country of incorporation)	Principal activities
Eco Medi Glove Products (Shenzhen) Co. Ltd (People's Republic of China)	Distributor of cleanroom and medical glove products

E. Notes to the condensed interim consolidated financial statements

2. Basis of preparation

The condensed interim consolidated financial statements for the three months ended 31 March 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Malaysian Ringgit (“RM”) and all values are rounded to the nearest thousand (“RM’000”), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

E. Notes to the condensed interim consolidated financial statements

4. Segment information

The management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas: Malaysia, Thailand and China. All geographic locations are engaged in the manufacture and sale of gloves and non-glove consumables such as finger cots, static shielding bags, face masks, wipers and packaging materials.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-segment pricing, if any, is determined on an arm's length basis. Segment revenue, expenses and results include transfers between segments. These transfers are eliminated on consolidation.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets which are expected to be used for more than one period.

(a) **Geographical information**

	Malaysia	Thailand	China	Others	Eliminations	Total
1 January 2024 to 31 March 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	222,384	10,844	11,254	4,989	–	249,471
Inter segment	24,283	18,471	736	29,727 ⁽¹⁾	(73,217)	–
Total revenue	246,667	29,315	11,990	34,716	(73,217)	249,471
Results:						
Segment result	73,011	17,210	433	33,472	(32,389)	91,737
Finance costs	–	–	(14)	–	–	(14)
Profit before taxation	73,011	17,210	419	33,472	(32,389)	91,723
Income tax expense	(14,477)	(2,991)	(108)	(1,551)	(411)	(19,538)
Total profit	58,534	14,219	311	31,921	(32,800)	72,185
Assets and liabilities:						
Segment assets	1,419,041	42,574	32,100	463,021	(44,483)	1,912,253
Segment liabilities	159,451	13,930	2,989	6,744	(26,103)	157,011
Other segment information:						
Additions to non-current assets	1,678	11	244	–	–	1,933

(1) Includes dividend income from subsidiaries.

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

4. Segment information (cont'd)

(a) **Geographical information (cont'd)**

	Malaysia	Thailand	China	Others	Eliminations	Total
1 January 2023 to 31 March 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	210,033	12,073	10,689	5,206	–	238,001
Inter segment	53,212	15,315	532	197,113 ⁽¹⁾	(266,172)	–
Total revenue	263,245	27,388	11,221	202,319	(266,172)	238,001
Results:						
Segment result	39,884	15,106	1,093	201,136	(197,609)	59,610
Finance costs	–	–	–	–	–	–
Profit before taxation	39,884	15,106	1,093	201,136	(197,609)	59,610
Income tax expense	(9,540)	(2,115)	(287)	–	(949)	(12,891)
Total profit	30,344	12,991	806	201,136	(198,558)	46,719
Assets and liabilities:						
Segment assets	1,388,636	72,762	50,328	515,687	(64,315)	1,963,098
Segment liabilities	195,968	12,244	5,476	4,442	(41,549)	176,581
Other segment information:						
Additions to non-current assets	8,626	8	1,576	–	–	10,210

(b) **Business information**

The Group predominantly manufactures and sells gloves. It is not meaningful to show the total assets employed and capital expenditure by business activities as the assets and liabilities are generally shared and not identifiable by business segments.

	Gloves RM'000	Others RM'000	Total RM'000
Revenue:			
Sales to external customers			
- 3 months ended 31 March 2024	244,775	4,696	249,471
- 3 months ended 31 March 2023	234,204	3,797	238,001

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2024 and 31 December 2023:

	Group		Company	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Financial Assets:				
Financial assets at fair value through profit or loss (FVPL)	298	1,540	–	–
Cash and cash equivalents, trade receivables and other receivables (Amortised cost)	1,103,900	1,008,563	440,087	406,950
	<u>1,104,198</u>	<u>1,010,103</u>	<u>440,087</u>	<u>406,950</u>
	Group		Company	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Financial Liabilities:				
Payables and accruals and lease liabilities (Amortised cost)	75,634	72,543	526	490

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

6. Profit before taxation

6.1 Significant items

	Group	
	3 months ended 31 March 2024 RM'000	3 months ended 31 March 2023 RM'000
Income		
Interest income from bank balances	7,553	7,880
Expenses		
Interest expenses	14	–
Depreciation of property, plant and equipment	15,926	14,920
Net foreign exchange gain	(3,275)	(2,071)
Fair value loss on derivatives	1,616	495
Property, plant and equipment written off	45	31
Loss/ (gain) on disposal of property, plant and equipment	44	(33)

6.2 Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and its related parties took place on terms agreed between the parties during the financial period.

	Group	
	3 months ended 31 March 2024 RM'000	3 months ended 31 March 2023 RM'000
Other related parties:		
Purchases of repair and maintenance services	13	3

Other related parties comprise companies in which the major shareholder is a close family member of certain directors of the Company.

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

6. Profit before taxation (cont'd)

6.2 Related party transactions (cont'd)

(b) *Compensation of key management personnel*

	Group	
	3 months ended 31 March 2024 RM'000	3 months ended 31 March 2023 RM'000
Directors' fee	195	182
Short term benefits	1,191	826
Central Provident Fund contributions	98	72
Performance incentive scheme	2,106	1,139
	<hr/>	<hr/>
	3,590	2,219
	<hr/>	<hr/>
Comprise amounts paid to:		
- Directors of the Company	2,718	1,503
- Other key management personnel	872	716
	<hr/>	<hr/>
	3,590	2,219
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The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on approved terms and conditions.

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	3 months ended 31 March 2024 RM'000	3 months ended 31 March 2023 RM'000
Current income tax expense	19,320	12,037
Deferred income tax expense relating to origination and reversal of temporary difference	218	854
	<hr/>	<hr/>
	19,538	12,891
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Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

8. Dividends

	Group and Company 3 months ended 31 March 2024 RM'000	3 months ended 31 March 2023 RM'000
Special interim exempt (one-tier) dividend for 2023: NIL (2022: 8.00 sen) per ordinary share	–	118,574

9. Net asset value

	Group		Company	
	31 March 2024 RM	31 December 2023 RM	31 March 2024 RM	31 December 2023 RM
Net asset value per ordinary share	1.18	1.13	0.45	0.43

10. Fair value of financial instruments

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

10. Fair value of financial instruments (cont'd)

(a) **Asset measured at fair value**

The following table shows an analysis of asset measured at fair value by level at the respective reporting period:

	Group Significant observable inputs other than quoted prices (Level 2)	
	31 March 2024 RM'000	31 December 2023 RM'000
Financial assets:		
<u>Derivatives (Note 5)</u>		
- Forward currency contracts	298	1,540

Level 2 fair value

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward rate curves.

(b) **Fair value of financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value**

The carrying amounts of current trade and other receivables, cash and cash equivalents, payables and accruals and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

11. **Property, plant and equipment**

During the three months ended 31 March 2024, the Group acquired assets amounting to RM1,933,000 (31 March 2023: RM10,210,000) and disposed of assets amounting to RM68,000 (31 March 2023: RM1,000).

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

12. Lease liabilities

The lease liabilities are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

	Group	
	31 March 2024	31 December 2023
	RM'000	RM'000
Amount repayable within one year		
Lease liabilities	507	495
Amount repayable after one year		
Lease liabilities	397	523
Total lease liabilities	904	1,018

13. Share capital

	Group and Company			
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	No. of shares	No. of shares	RM'000	RM'000
At 1 January	1,484,904,100	1,484,904,100	156,337	156,337
Shares issued during the year	–	–	–	–
At 31 March/ 31 December	1,484,904,100	1,484,904,100	156,337	156,337

As at 31 March 2024, the Company held 2,736,000 of its issued shares as treasury shares (31 December 2023: 2,736,000).

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2024 and 31 December 2023.

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Riverstone Holdings Limited and Subsidiary Companies as at 31 March 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three months period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2a Income Statement Review

For 1Q2024, the Group achieved RM249.5 million in total revenue, a 4.8% increase as compared to RM238.0 million in 1Q2023. Cost of sales however reduced to RM152.0 million in 1Q2024, a 13.7% reduction. The Group's gross profit up 57.3% from RM61.9 million in 1Q2023 to RM97.5 million in 1Q2024. Group's gross profit margin improved from 26.0% to 39.1% due to higher average selling price for the quarter and lower cost of sales.

The Group's other income reduced by 4.6% to RM7.8 million in 1Q2024. These are mainly due to interest income from lower balance of fixed deposits.

Selling and distribution expenses increased by 1.9% in 1Q2024 mainly due to increasing sales activities.

General and administrative expenses increased by 39.1% to RM10.6 million in 1Q2024 mainly due to increase in performance incentives.

In 1Q2024, other operating income closed at RM0.7 million, a 4.4% increase as compared to 1Q2023 mainly due to higher net foreign exchange gain.

The Group's effective tax rate was lower at 21.3% in 1Q2024 compared to 21.6% in 1Q2023 due to higher reinvestment allowances recognised in 1Q2024. In 1Q2024, income tax expense increased to RM19.5 million as a result of higher taxable income.

Overall in 1Q2024, the Group's profit before taxation and profit after taxation increased by 53.9% to RM91.7 million and 54.5% to RM72.2 million respectively.

2b Balance Sheet Review

As at 31 March 2024, non-current assets which consist of property, plant and equipment (PPE) and deferred tax assets decreased to RM713.2 million from RM727.1 million. PPE decreased to RM711.8 million from RM726.0 million mainly on additions amounting to RM1.9 million offset by the depreciation charge of RM15.9 million and PPE written off or disposed. Deferred tax assets (DTA) has increased to RM1.4 million.

As of 31 March 2024, inventories rose to RM91.0 million from RM83.2 million compared to 31 December 2023, primarily due to increase in production volume. Similarly, trade receivables increased from RM128.0 million to RM149.6 million mainly due to normalisation of credit terms.

Cash and cash equivalents increased to RM947.6 million as at 31 March 2024 from RM875.4 million as at 31 December 2023. For 1Q2024, the Group generated RM46.7 million of net cash flows from operating activities and net cash flows used in investing activities amounting to RM1.9 million were mainly for the purchase of PPE. The Group has net cash flows used in financing activities in 1Q2024 is solely for payment of lease liabilities.

OTHER INFORMATION

2. Review of performance of the Group (cont'd)

2b Balance Sheet Review (cont'd)

Current liabilities increased to RM97.6 million as at 31 March 2024 mainly due to higher payables and accruals and provision for taxation. Payables and accruals increased to RM74.7 million as at 31 March 2024 from RM71.5 million as at 31 December 2023 whereas provision for taxation increased from RM11.9 million as at 31 December 2023 to RM22.4 million as at 31 March 2024.

Non-current liabilities increased to RM59.4 million as at 31 March 2024 from RM59.0 million mainly due to higher deferred tax liabilities.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In the current year, the supply of gloves has normalised. However, the business is facing challenges of price competition, currency fluctuations, volatile raw material prices, and increased production costs.

5. Dividend information

5a Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per Share (in sen)	4.00 sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

Yes. The Board is pleased to declare a one-tier tax exempt interim dividend of 4.00 sen (RM) per ordinary share (2023: NIL) in respect of the first quarter period ended 31 March 2024.

5b Corresponding Period of the Immediate Preceding Financial Year

None

5c Date Payable

To be determined

5d Book Closure Date

To be determined

OTHER INFORMATION

6. Interested person transactions

The Company does not have an Interested Person Transactions mandate.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 4.4 Rule 720(1) of the Listing Manual of the SGX-ST.

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors, I, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors which may render the condensed interim consolidated financial statements of the Group for the three months period ended 31 March 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

WONG TEEK SON
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
9 May 2024

This release may contain forward looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.