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Riverstone records 119.1% increase in net profit to RM1.42 billion for FY2021

- Revenue increased by 68.5% year-on-year (“yoy”) to RM3.08 billion for FY2021 on the back of increased demand for nitrile gloves
- Production capacity to increase by 1.5 billion pieces of gloves by end of 2022, bringing the total capacity to 12.0 billion pieces of gloves
- The Board recommends a special interim dividend of 10.00 sen (RM) per ordinary share and subject to shareholders’ approval at the Annual General Meeting, final dividend of 28.00 sen (RM) per ordinary share, bringing the total dividends for the year to 48.00 sen (RM) per ordinary share

Financial Highlights

<u>RM million</u>	<u>FY2021</u>	<u>FY2020</u>	<u>Change (%)</u>
Revenue	3,082.4	1,829.9	68.5
Cost of Goods Sold	(1,175.6)	(932.3)	26.1
Gross Profit	1,906.8	897.6	112.4
Profit Before Tax	1,858.6	841.4	120.9
Net Profit to Equity Holders	1,417.9	647.3	119.1
EPS* - fully diluted (sen)	95.66	43.67	

*Based on weighted average of 1,482.2 million ordinary shares in issue

SINGAPORE – 22 February 2022 – Mainboard-listed Riverstone Holdings Limited (“Riverstone” or “the Group”) 立合斯顿有限公司, a leading manufacturer of specialised cleanroom and healthcare gloves has announced its full year financial results (“FY2021”) ended 31 December 2021.

The Group saw revenue surge by 68.5% to RM3.08 billion in FY2021 over RM1.83 billion in FY2020. This was due to a higher sales volume and average selling prices (ASP) for both healthcare and cleanroom gloves as demand climbed for these products. Consequently, gross profit increased 112.4% to RM1.91 billion for FY2021, with gross profit margin improving from 49.1% to 61.9%.

Despite the increased sales activities, selling and distribution expenses only rose 29.1% yoy to RM28.4 million in FY2021. Similarly, the Group’s general and administrative expenses increased 41.0% yoy to RM48.6 million in FY2021 mainly due to an increase in staff costs.

Overall, the Group recorded a growth of 119.1% yoy in net profit attributable to shareholders to RM1.42 billion in FY2021 due to higher revenue and margins. Net profit margins increased in FY2021 by 4.6% to 46.0% yoy as the increase in revenue outpaced the relevant costs.

Executive Chairman and CEO, **Mr. Wong Teek Son (黄德顺)** commented, “*While the demand for health care gloves during the pandemic has driven ASPs and volumes for glove manufacturers, we are still very much focused on our cleanroom segment. This segment has proven its resiliency and has grown steadily over the years. Our customers in this space rely on the specific properties and elements that our gloves are known for.*”

We remain vigilant on the market forces that affect our foreign exchange exposure, raw material costs and production costs. Restrictions in Malaysia caused by the pandemic continues to challenge the Group. For example, our plan to increase our capacity by 1.5 billion gloves by the end of 2021 has been delayed to end of 2022. We are aiming to increase our capacity by another 1.5 billion pieces by end of FY2023.”

With a strong core business performance and prudent management in working capital, the Group generated robust operating cash flows of RM1.57 billion for FY2021 (FY2020: RM702.7 million). With a net cash used in investing of RM155.9 million for purchase of PPE and net cash used in financing of RM451.2 million for repayment of bank borrowings and payment of dividends, cash and cash equivalents grew to RM1.61 billion from RM648.9 million.

Mr. Wong concluded, *“In appreciation of our shareholders, the Board is pleased to recommend a special interim dividend of 10.00 sen (RM) per ordinary share and subject to shareholders’ approval at the Annual General Meeting, a final dividend of 28.00 sen (RM) per ordinary share, bringing total dividends for the year to 48.00 sen (RM) per ordinary share. This represents our continued commitment to reward and thank our shareholders’ placed trust in the company.”*

– 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 2021. 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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