

Company Registration No. 200510666D

Riverstone Holdings Limited

Condensed Interim Consolidated Financial Statements
For the first quarter and three months ended 31 March 2023

Table of Contents

A. Condensed interim consolidated statement of profit or loss and other comprehensive income	3
B. Condensed interim statements of financial position	4
C. Condensed interim statements of changes in equity	6
D. Condensed interim consolidated statement of cash flows	8
E. Notes to the condensed interim consolidated financial statements	10
F. Other information required by Listing Rule Appendix 7.2	20

Riverstone Holdings Limited and Subsidiary Companies

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

	Note	1Q2023 1 Jan 2023 to 31 Mar 2023 RM'000	1Q2022 1 Jan 2022 to 31 Mar 2022 RM'000
Revenue	4	238,001	402,313
Cost of sales		(176,056)	(247,828)
Gross profit		61,945	154,485
Other income		8,185	5,662
Selling and distribution expenses		(3,562)	(5,177)
General and administrative expenses		(7,620)	(11,233)
Other operating income – net		662	289
Operating profit		59,610	144,026
Finance costs		–	(9)
Profit before taxation	6	59,610	144,017
Income tax expense	7	(12,891)	(35,274)
Profit for the financial period		46,719	108,743
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gain		5,443	4,194
Other comprehensive income for the financial period		5,443	4,194
Total comprehensive income for the financial period		52,162	112,937
Profit attributable to:			
Equity holders of the Company		46,718	108,743
Non-controlling interests		1	– ⁽¹⁾
		46,719	108,743
Total comprehensive income attributable to:			
Equity holders of the Company		52,161	112,937
Non-controlling interests		1	– ⁽¹⁾
		52,162	112,937
Earnings per share			
Basic (sen)		3.15	7.34
Diluted (sen)		3.15	7.34

⁽¹⁾ Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiary Companies

B. Condensed interim statements of financial position

	Note	Group		Company	
		31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Non-current assets					
Property, plant and equipment	11	736,942	741,562	–	–
Investments in subsidiary companies		–	–	218,107	215,416
Deferred tax assets		1,143	1,230	–	–
		<u>738,085</u>	<u>742,792</u>	<u>218,107</u>	<u>215,416</u>
Current assets					
Inventories		94,772	82,368	–	–
Trade receivables		127,289	118,206	–	–
Other receivables		6,864	4,167	4,361	1,111
Prepayments		4,996	5,122	62	62
Derivatives	10	451	903	–	–
Tax recoverable		145	145	–	–
Cash and cash equivalents		990,496	1,066,061	492,559	410,146
		<u>1,225,013</u>	<u>1,276,972</u>	<u>496,982</u>	<u>411,319</u>
Total assets		<u>1,963,098</u>	<u>2,019,764</u>	<u>715,089</u>	<u>626,735</u>
Current liabilities					
Trade and other payables		95,626	84,875	409	438
Amount due to a subsidiary company		–	–	19	–
Borrowings	12	527	–	–	–
Contract liabilities		–	1,502	–	–
Provision for taxation		18,068	19,735	251	248
		<u>114,221</u>	<u>106,112</u>	<u>679</u>	<u>686</u>
Net current assets		<u>1,110,792</u>	<u>1,170,860</u>	<u>496,303</u>	<u>410,633</u>
Non-current liabilities					
Borrowings	12	840	–	–	–
Employee benefit obligations		833	803	–	–
Deferred tax liabilities		60,687	59,920	–	–
		<u>62,360</u>	<u>60,723</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>176,581</u>	<u>166,835</u>	<u>679</u>	<u>686</u>
Net assets		<u>1,786,517</u>	<u>1,852,929</u>	<u>714,410</u>	<u>626,049</u>

Riverstone Holdings Limited and Subsidiary Companies

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

	Note	Group		Company	
		31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 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		1,630,990	1,697,403	558,888	470,527
		1,786,512	1,852,925	714,410	626,049
Non-controlling interests		5	4	–	–
Total equity		1,786,517	1,852,929	714,410	626,049
Total equity and liabilities		1,963,098	2,019,764	715,089	626,735

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			
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
2022							
Balance at 1 January 2022	156,337	(815)	2,215,640	(38,710)	2,176,930	5	2,332,457
Profit for the financial period	–	–	108,743	–	108,743	– ⁽¹⁾	108,743
Other comprehensive income for the financial period	–	–	–	4,194	4,194	–	4,194
Total comprehensive income for financial period	–	–	108,743	4,194	112,937	– ⁽¹⁾	112,937
Balance at 31 March 2022	156,337	(815)	2,324,383	(34,516)	2,289,867	5	2,445,394

⁽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
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
2022						
Balance at 1 January 2022	156,337	(815)	581,772	43,406	625,178	780,700
Profit for the financial period	–	–	(694)	–	(694)	(694)
Other comprehensive income for the financial period	–	–	–	4,168	4,168	4,168
Total comprehensive income for the financial period	–	–	(694)	4,168	3,474	3,474
Balance at 31 March 2022	156,337	(815)	581,078	47,574	628,652	784,174

Riverstone Holdings Limited and Subsidiary Companies

D. Condensed interim consolidated statement of cash flows

	1Q2023 1 Jan 2023 to 31 Mar 2023 RM'000	1Q2022 1 Jan 2022 to 31 Mar 2022 RM'000
Cash flows from operating activities		
Profit before taxation	59,610	144,017
Adjustments for:		
Depreciation of property, plant and equipment	14,920	14,344
Property, plant and equipment written off	31	16
Gain on disposal of property, plant and equipment	(33)	(108)
Fair value loss on derivatives	495	1,531
Interest expense	–	9
Interest income	(7,880)	(4,918)
Foreign exchange differences	10,984	6,669
Operating cash flows before working capital changes	78,127	161,560
(Increase)/ decrease in inventories	(12,404)	25,946
(Increase)/ decrease in receivables and prepayments	(11,654)	17,466
Increase in employee benefit obligations	30	69
Increase/ (decrease) in trade and other payables and contract liabilities	10,825	(14,131)
Cash flows generated from operations	64,924	190,910
Interest paid	–	(9)
Interest received	7,880	4,918
Income tax paid	(13,704)	(82,698)
Net cash flows generated from operating activities	59,100	113,121
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	34	110
Purchase of property, plant and equipment	(10,210)	(31,043)
Net cash flows used in investing activities	(10,176)	(30,933)
Cash flows from financing activities		
Repayment of borrowings	–	(1,000)
Payment of principal portion of lease liabilities	(294)	(295)
Dividends paid	(118,574)	–
Net cash flows used in financing activities	(118,868)	(1,295)

Riverstone Holdings Limited and Subsidiary Companies

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

	1Q2023	1Q2022
	1 Jan 2023	1 Jan 2022
	to	To
	31 Mar 2023	31 Mar 2022
	RM'000	RM'000
Net (decrease)/ increase in cash and cash equivalents	(69,944)	80,893
Effect of foreign currency exchange rates	(5,621)	(2,580)
Cash and cash equivalents at beginning of financial period	1,066,061	1,612,931
Cash and cash equivalents at end of the financial period	990,496	1,191,244

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 2023 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 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 2023 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 2022.

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 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	50,328	515,687	72,762	(64,315)	1,963,098
Segment liabilities	195,968	5,476	4,442	12,244	(41,549)	176,581
Other segment information:						
Additions to non-current assets	8,626	8	1,576	–	–	10,210

(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 2022 to 31 March 2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	356,871	18,665	15,788	10,989	–	402,313
Inter segment	80,346	11,759	2,298	–	(94,403)	–
Total revenue	437,217	30,424	18,086	10,989	(94,403)	402,313
Results:						
Segment result	124,655	17,363	4,294	667	(2,953)	144,026
Finance costs	(1)	–	(8)	–	–	(9)
Profit before taxation	124,654	17,363	4,286	667	(2,953)	144,017
Income tax expense	(30,013)	(2,608)	(1,101)	–	(1,552)	(35,274)
Total profit	94,641	14,755	3,185	667	(4,505)	108,743
Assets and liabilities:						
Segment assets	2,112,820	76,112	601,928	91,143	(131,744)	2,750,259
Segment liabilities	379,487	9,358	11,553	14,254	(109,787)	304,865
Other segment information:						
Additions to non-current assets	31,028	8	7	–	–	31,043

(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 2023	234,204	3,797	238,001
- 3 months ended 31 March 2022	396,444	5,869	402,313

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 2023	3 months ended 31 March 2022
	RM'000	RM'000
Income		
Interest income from bank balances	7,880	4,918
Expenses		
Interest expenses on borrowings	–	9
Depreciation of property, plant and equipment	14,920	14,344
Net foreign exchange gain	(2,071)	(2,937)
Fair value loss on derivatives	495	1,531
Property, plant and equipment written off	31	16
Gain on disposal of property, plant and equipment	(33)	(108)

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 2023	3 months ended 31 March 2022
	RM'000	RM'000
Other related parties:		
Purchases of repair and maintenance services	3	61

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 2023 RM'000	3 months ended 31 March 2022 RM'000
Directors' fee	182	171
Short term benefits	826	967
Central Provident Fund contributions	72	71
Performance incentive scheme	1,139	4,817
	<hr/>	<hr/>
	2,219	6,026
	<hr/>	<hr/>
Comprise amounts paid to:		
- Directors of the Company	1,503	4,253
- Other key management personnel	716	1,773
	<hr/>	<hr/>
	2,219	6,026
	<hr/>	<hr/>

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 terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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 2023 RM'000	3 months ended 31 March 2022 RM'000
Current income tax expense	12,037	31,908
Deferred income tax expense relating to origination and reversal of temporary difference	854	3,366
	<hr/>	<hr/>
	12,891	35,274
	<hr/>	<hr/>

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

8. Dividends

	Group and Company	
	3 months ended	3 months ended
	31 March	31 March
	2023	2022
	RM'000	RM'000
Special interim exempt (one-tier) dividend for 2022: 8.00 sen (2021: NIL) per ordinary share	118,574	–

9. Net asset value

	Group		Company	
	31	31	31	31
	March	December	March	December
	2023	2022	2023	2022
	RM	RM	RM	RM
Net asset value per ordinary share	1.21	1.25	0.48	0.42

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 their 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 2023 RM'000	31 December 2022 RM'000
Financial assets:		
<u>Derivatives (Note 5)</u>		
- Forward currency contracts	451	903

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 2023, the Group acquired assets amounting to RM10,210,000 (31 March 2022: RM31,043,000) and disposed of assets amounting to RM1,000 (31 March 2022: RM2,000).

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

12. Borrowings

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
Amount repayable within one year		
Lease liabilities	527	–
	527	–
Amount repayable after one year		
Lease liabilities	840	–
	840	–
Total borrowings	1,367	–

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.

13. Share capital

	Group and Company			
	31 March 2023 No. of shares	31 December 2022 No. of shares	31 March 2023 RM'000	31 December 2022 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 2023, the Company held 2,736,000 of its issued shares as treasury shares (31 December 2022: 2,736,000).

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2023 and 31 December 2022.

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Riverstone Holdings Limited and Subsidiary Companies as at 31 March 2023 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 1Q2023, the Group achieved RM238.0 million in total revenue, a 40.8% reduction as compared to RM402.3 million in 1Q2022. Cost of sales at the same time reduced to RM176.1 million in 1Q2023. The Group's gross profit reduced 59.9% from RM154.5 million in 1Q2022 to RM61.9 million in 1Q2023. Group's gross profit margin deteriorated from 38.4% to 26.0% due to lower average selling price for the quarter and higher cost of sales.

The Group's other income increased by 44.6% to RM8.2 million in 1Q2023. These are mainly due to higher interest income from fixed deposits.

Selling and distribution expenses decreased by 31.2% to RM3.6 million in 1Q2023 mainly due to lesser sales activities.

General and administrative expenses reduced by 32.2% to RM7.6 million in 1Q2023 mainly due to decrease in performance incentives.

In 1Q2023, other operating income closed at RM0.6 million, a 129.1% increase as compared to RM0.3 million in 1Q2022 mainly due to higher net foreign exchange gain.

The Group's effective tax rate was lower at 21.6% in 1Q2023 compared to 24.5% in 1Q2022 due to provision of prosperity tax for Companies in Malaysia tax jurisdiction in 1Q2022. In 1Q2023, income tax expense decreased to RM12.9 million as a result of lower taxable income.

Overall for 1Q2023, the Group's profit before tax reduced by 58.6% to RM59.6 million and profit after tax decreased by 57.0% to RM46.7 million as compared to 1Q2022.

2b Balance Sheet Review

As at 31 March 2023, non-current assets which consist of property, plant and equipment (PPE) and deferred tax assets decreased to RM738.1 million from RM742.8 million. PPE decreased to RM736.9 million from RM741.6 million mainly on additions amounting to RM10.2 million coupled with foreign exchange adjustment offset by the depreciation charge of RM14.9 million and PPE written off or disposed. Deferred tax assets (DTA) has decreased to RM1.1 million.

Inventories increased to RM94.8 million as at 31 March 2023 from RM82.4 million as at 31 December 2022 mainly due to lower sales volume. Trade receivables increased from RM118.2 million to RM127.3 million mainly due to slower collection.

OTHER INFORMATION

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

2b Balance Sheet Review (cont'd)

Cash and cash equivalents decreased to RM990.5 million as at 31 March 2023 from RM1,066.1 million as at 31 December 2022. For the 1Q2023, the Group generated RM59.1 million of net cash flows from operating activities and net cash flows used in investing activities amounting to RM10.2 million were mainly for the purchase of PPE. The Group has net cash flows used in financing activities in 1Q2023 amounting to RM118.9 million from payment of dividends and lease liabilities.

Current liabilities increased to RM114.2 million as at 31 March 2023 mainly due to higher trade and other payables. Trade and other payables increase to RM95.6 million as at 31 March 2023 from RM84.9 million as at 31 December 2022.

Non-current liabilities increased to RM62.4 million as at 31 March 2023 from RM60.7 million mainly due to the increase in 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.

Macroeconomic headwinds such as oversupply of healthcare gloves, price competition, US Dollar fluctuations, volatile raw material prices and increase in overall production costs continue to remain challenging for the Group.

5. Dividend information

5a Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

None

5b Corresponding Period of the Immediate Preceding Financial Year

None

5c Date Payable

Not applicable

5d Book Closure Date

Not applicable

6. Interested person transactions

The Company does not have an Interested Person Transactions mandate.

OTHER INFORMATION

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 nine months period ended 31 March 2023 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
8 May 2023

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.