



Riverstone Holdings Limited

(Incorporated in Singapore)

(SGX: AP4)

VOLUNTARY ANNOUNCEMENT

Unaudited Business Update for the First Quarter (“1Q2022”) ended 31 March 2022

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>1Q2022</u>	<u>4Q2021</u>	<u>Change (%)</u>
Revenue	402.3	410.2	(1.9)
Gross Profit	154.5	154.4	0.1
Profit Before Tax	144.0	149.0	(3.4)
Net Profit to Equity Holders	108.7	110.7	(1.8)

<u>RM million</u>	<u>1Q2022</u>	<u>1Q2021</u>	<u>Change (%)</u>
Revenue	402.3	1,032.3	(61.0)
Gross Profit	154.5	708.3	(78.2)
Profit Before Tax	144.0	683.9	(78.9)
Net Profit to Equity Holders	108.7	522.7	(79.2)

	<u>As at 31 March 2022</u>	<u>As at 31 December 2021</u>
Cash & Cash Equivalents (RM '000)	1,691,244	1,612,931

Operational Review

With the majority of the world adopting an endemic approach to COVID-19, demand for personal protection equipment, including the Group's healthcare examination glove products, has normalized. This normalization trend was evident since 4Q2021 and is similar in 1Q2022. Average selling prices ("ASP") of healthcare gloves have come off historic highs seen in 1Q2021.

The Group's cleanroom gloves remain in demand as evident from the forecasted 13.6% growth of the worldwide semiconductor revenue which would increase our customers' demand.¹ Both the ASP and volume of cleanroom gloves remained similar in 1Q2022 compared to that of the preceding quarter, whereas volume of healthcare gloves increased by 21% in 1Q2022 quarter-on-quarter ("qoq") with no significant change in revenue qoq in view of the ASP normalization. As a result, gross profit and net profit were almost the same for both 1Q2022 and 4Q2021.

From the exceptional surge in ASP and sales volume, the Group recorded a decrease in revenue year-on-year ("yoy") to RM402.3 million for 1Q2022 from a pandemic high of RM1.032 billion in 1Q2021. The erosion of average selling prices for healthcare gloves has led to a decrease in gross profit to RM154.5 million in 1Q2022 yoy and a decrease in blended gross profit margin from 68.6% in 1Q2021 to 38.4% yoy. Net profit as a result decreased to RM108.7 million in 1Q2022 from RM522.7 million in 1Q2021.

The Group continues to generate stable cash inflows from operations which has contributed to the strength of its balance sheet. With cash and cash equivalents amounted to RM1.7 billion as at the end of 31 March 2022, the Group's cash will be partially used for the Group's expansion plans which were delayed in 2021.

Outlook

The Group is entering the next phase of expansion plans for production lines on existing land with Phase 7 ending in 2022. The next phase will increase capacity by 1.5 billion pieces, through seven production lines, to 12.0 billion pieces of gloves annually.

The global cleanroom gloves market is expected to grow at a CAGR of 7.7%² as many industries require cleaner and better antistatic gloves for their manufacturing and contact needs. Riverstone continues to be a market leader in the cleanroom glove space, with a high barrier to entry due to the additional manufacturing steps and the stringent requirement.

¹ <https://www.gartner.com/en/newsroom/press-releases/2022-04-26-gartner-forecasts-worldwide-semiconductor-revenue-to-grow-13-6-percent-in-2022>

² <https://www.alliedmarketresearch.com/cleanroom-disposable-gloves-market>

Executive Chairman and CEO, **Mr. Wong Teek Son (黄德顺)** remarked, “*We shall continue our plans with Phase 7 which will bring our total production capacity to 12.0 billion pieces of gloves by end FY2022. After which, another 1.5 billion pieces capacity to be added in the following two years up to FY2024 bringing the total production capacity to 15.0 billion pieces.*”

Demand for cleanroom gloves continue to grow as more applications are being manufactured in a cleanroom environment. As a market leader for cleanroom gloves, we work hand-in-hand with our clients, who are global leaders in their respective fields, to develop cleanroom gloves to their very exacting requirements. We will continue to improve on our cleanroom glove production capabilities through research and innovation.”

– 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, Vietnam 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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