



## **Riverstone Holdings Limited**

*(Incorporated in Singapore)*  
(SGX: AP4)

### **VOLUNTARY ANNOUNCEMENT**

#### **Unaudited Business Update for the First Quarter (“1Q2020”) ended 31 March 2020**

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**

| <b><u>RM million</u></b>            | <b><u>1Q2020</u></b> | <b><u>1Q2019</u></b> | <b><u>Change (%)</u></b> |
|-------------------------------------|----------------------|----------------------|--------------------------|
| <b>Revenue</b>                      | 279.4                | 240.5                | 16.2                     |
| <b>Gross Profit</b>                 | 67.1                 | 46.6                 | 44.0                     |
| <b>Profit Before Tax</b>            | 58.0                 | 35.6                 | 62.9                     |
| <b>Net Profit to Equity Holders</b> | 46.6                 | 30.2                 | 54.3                     |

  

|                                                  | <b><u>As at 31 March 2020</u></b> | <b><u>As at 31 December 2019</u></b> |
|--------------------------------------------------|-----------------------------------|--------------------------------------|
| <b>Cash &amp; Cash Equivalents<br/>(RM '000)</b> | 170,721                           | 130,409                              |

## **Operational Review**

While the Group's cleanroom and healthcare glove segments continue to record robust sales volume growth, the growth in orders for the healthcare segment in particular has increased significantly due to surging worldwide demand amid the Covid-19 pandemic. This uptick in demand has contributed to an improved performance for the quarter, as the Group recorded a 16.2% year-on-year ("yoy") increase in revenue to RM279.4 million.

Furthermore, the Group has benefitted from the down-trending prices of Butadiene, a key raw material used in the production of its nitrile-based gloves. Bolstered by the tailwinds of lower raw material costs, the Group's gross profit margin strengthened by 4.6 percentage points yoy to 24.0% during the quarter.

The Group's ability to generate robust cash inflows from operations has contributed to the resiliency of its balance sheet. With cash and cash equivalents amounted to RM170.7 million as at the end of 31 March 2020, the Group remains well-positioned to carry out its expansion plans to drive future growth, and weather the macroeconomic headwinds associated with the Covid-19 pandemic

## **Outlook**

Due to the surge in worldwide demand for products such examination gloves and facemasks, the Group has been witnessing an uptick in orders from both new and existing customers during this period. Accordingly, the Group is working closely with its customers to meet their needs and fulfill orders, especially for examination gloves which are urgently required in healthcare systems worldwide. Moving into the remainder of FY2020, phase 6 of the Group's expansion plans is on track to lift capacity progressively by up to 1.4 billion to a total of 10.4 billion pieces of gloves per annum by the fourth quarter ended 31 December 2020 ("4Q2020"), further helping the Group to alleviate pressure on supply.

The health and safety of all employees are of utmost importance and priority for the Group. Accordingly, the Group has implemented stringent safety measures across all of its facilities, while complying with health advisories issued by governments in Malaysia and across the region where the Group operates. As developments surrounding Covid-19 remain fluid and continues to evolve, the Group will monitor the situation closely and keep shareholders updated on material developments, if any, via SGXNet.

Executive Chairman and CEO, **Mr. Wong Teek Son (黄德顺)** remarked, "*Due to the surge in healthcare glove orders resulting from the Covid-19 pandemic, we have been ramping up production and reducing downtime for our production lines to meet this robust demand. Completion of our new facility for phase 6 of our capacity expansion plans has come at an opportune time, and we are progressively commissioning new lines to satisfy our customers' urgent need for examination gloves. By 4Q2020, we expect to raise capacity by up to 1.4 billion pieces to a total of 10.4 billion pieces of gloves per annum to help alleviate this supply crunch. During this difficult period, we understand that it is our collective duty and responsibility to ensure that the supply of these essential healthcare supplies are met, as we work together with healthcare systems and practitioners around the world to combat the virus.*"

**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 3,000 people throughout its six manufacturing facilities in Malaysia (4), Thailand (1) and China (1) with an annual production capacity of 9.0 billion gloves as at 31 December 2019. 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](http://www.riverstone.com.my))

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