



March 24 2026

**Subject: Update on Global Market Conditions and Upcoming Price Adjustments**

Dear Valued Customer,

We would like to provide you with a comprehensive update on the ongoing developments and significant challenges affecting the global supply chain for medical examination, personal protective, and surgical gloves.

Unfortunately, the situation has not stabilized - on the contrary, market conditions have continued to deteriorate and are now more challenging than initially anticipated. Raw material prices for nitrile have now doubled compared to earlier levels and cost for polyisoprene, natural rubber latex and PVC have substantially increased. At the same time, upstream suppliers have significantly tightened payment terms, further amplifying pressure across the entire value chain. These developments are placing unprecedented pressure on production costs and supply continuity across the industry.

To ensure full transparency, we would like to outline the key drivers behind this development:

**1. Raw Material Shortages**

Major upstream suppliers across Asia and the Middle East (including key producers in Singapore, South Korea, Indonesia, and the Gulf region) have declared force majeure following severe disruptions in the supply of critical feedstocks such as oil (naphtha), natural gas, butadiene (essential for nitrile production), and polyvinyl chloride (PVC, used in vinyl production).

The disruptions are driven by a combination of halted production activities, damaged refining infrastructure, and significantly reduced export volumes from key petrochemical hubs such as Qatar, Bahrain, Kuwait, and Saudi Arabia. As a result, the availability of essential raw materials has tightened sharply across the entire value chain.

**2. Production Slowdowns**

As a direct consequence, manufacturing facilities in the Far East are experiencing extended shutdowns or operating at significantly reduced capacity. Numerous production lines have been temporarily or indefinitely idled due to interruptions in olefin and petrochemical supply flows - a situation comparable to previous crisis cycles, but further aggravated by current logistics and shipping bottlenecks.



### 3. Significant Cost Escalation and Supply Constraints

Since mid-February 2026, we have observed substantial and rapid increases in the prices of key raw materials, including nitrile, butadiene, natural rubber latex and PVC paste resin.

This development is not a short-term fluctuation, but reflects a structural supply imbalance across upstream petrochemical markets. Importantly, we are also seeing a fundamental shift in supplier pricing behaviour, for example nitrile butadiene rubber (NBR) latex suppliers are no longer consistently following traditional cost-plus mechanisms based on butadiene (BD) and acrylonitrile (ACN) indices. Instead, pricing is increasingly determined by immediate supply and demand dynamics, with allocations and spot availability becoming the dominant factors. As a result, historical or theoretical cost-plus models for converting BD and ACN into NBR latex are currently not reflective of actual market pricing and availability.

As illustrated in the attached charts on the development of NBR and vinyl related raw materials as well as natural rubber latex, prices have escalated sharply within a very short timeframe, highlighting the exceptional nature and speed of the current market shift.

Despite extensive internal cost optimization efforts, efficiency improvements, and partial cost absorption on our side, the magnitude and pace of these increases have now exceeded what can be sustainably managed without impacting supply reliability.

#### Price Adjustment

In order to maintain stable supply and uphold our quality standards, we are therefore required to implement price adjustments for all upcoming shipments:

- **Effective date: April 8<sup>th</sup>, 2026** (based on shipment date)
- Detailed pricing will be communicated individually by your respective sales representative
- Prices will remain fixed for shipments scheduled until mid-April; beyond this, further adjustments may be required depending on market developments

In parallel, our team will proactively reach out to align on delivery schedules, order planning, and any necessary adjustments to commercial terms in light of the evolving supply situation.

We remain fully committed to transparency and to supporting you as a reliable partner through this period of exceptional market volatility. We will continue to monitor developments closely and keep you informed as the situation evolves.



We sincerely appreciate your understanding, trust, and continued partnership during these challenging times.

Please do not hesitate to contact us should you require further clarification.

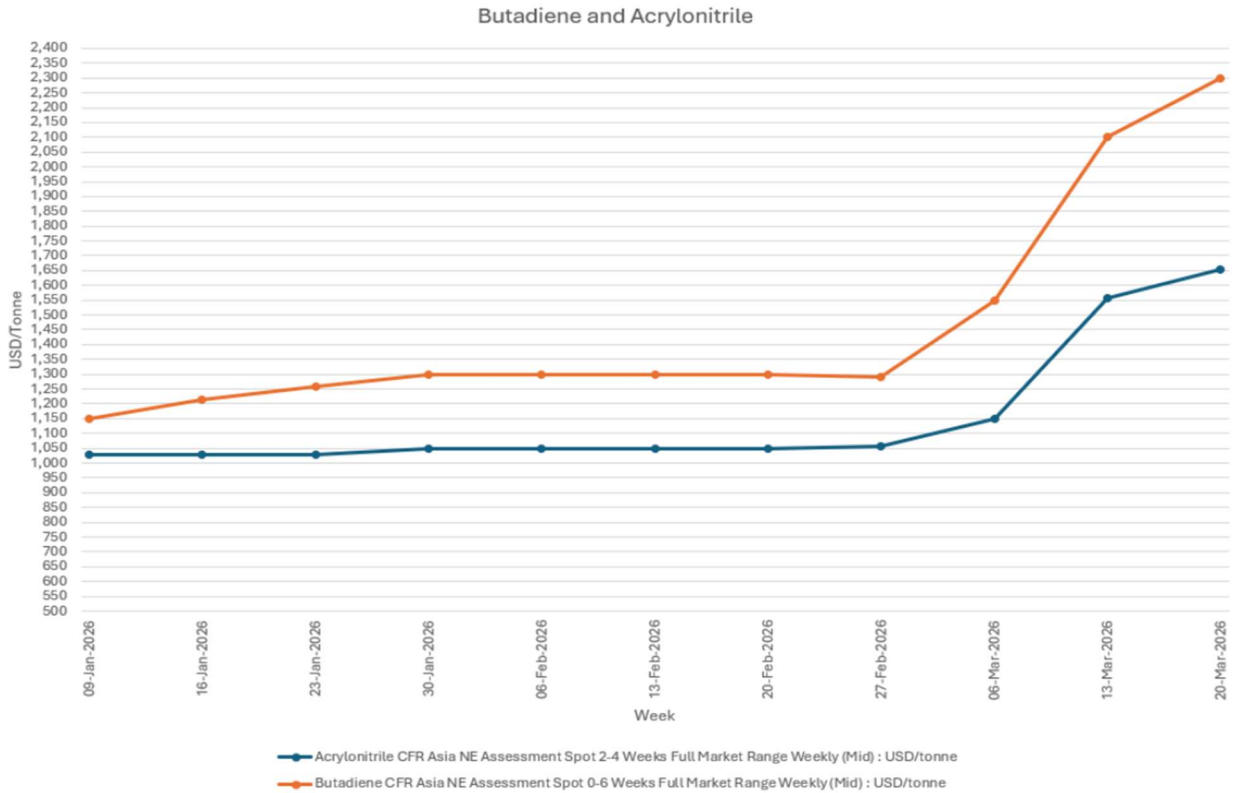
Thank you,  
Haziq Zairel Oh

Signed by:  
  
Chief Executive Officer  
HARPS Global

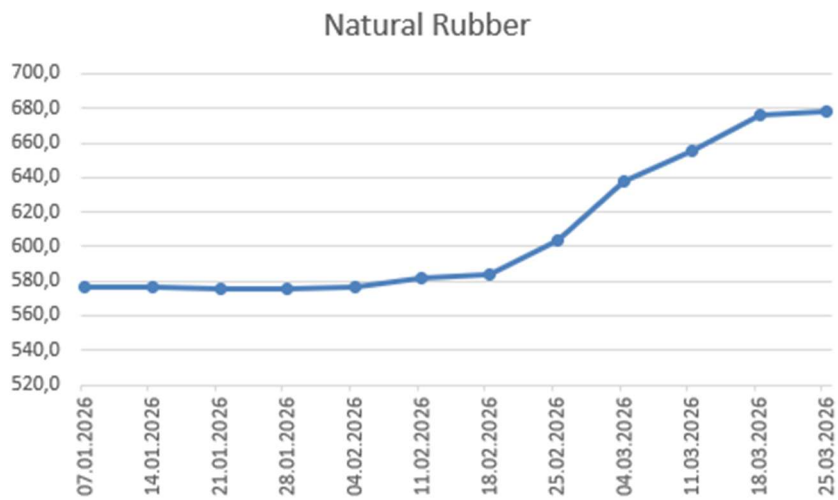




Butadiene & Acrylonitrile (source ICIS report on March 24.03.2026):



Bulk natural rubber latex (sen/kg) (source Malaysian Rubber Board on March 24.03.2026):



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Vinyl Glove Plasticizer (source oilchem.net on March 24.03.2026):



Vinyl Glove PVC Resin (source oilchem.net on March 24.03.2026):



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