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## Riverstone posts record earnings as net profit surges 396.3% to RM647.3 million for FY2020

- Revenue rose 85.0% yoy to RM1.8 billion for FY2020 driven by higher sales volumes for both healthcare and cleanroom glove segments
- Group's production capacity to increase by up to 1.5 billion pieces each year to reach a total of up to 15.0 billion pieces of gloves per annum by end-FY2023, representing a growth rate of 42.9%
- The Board recommends a final and special dividend of 16.00 sen (RM) per share and 4.00 sen (RM) per share respectively, bringing total dividends for the year to 22.00 sen (RM) per share (FY2019: 3.70 sen (RM) per share) representing a dividend payout ratio of 50.4% for FY2020 (FY2019: 42.0%)

### Financial Highlights

<u>RM million</u>	<u>FY2020</u>	<u>FY2019</u>	<u>Change (%)</u>
Revenue	1,829.9	989.0	85.0
Cost of Goods Sold	(932.3)	(790.1)	18.0
Gross Profit	897.6	198.9	351.3
Profit Before Tax	841.4	157.4	434.5
Net Profit to Equity Holders	647.3	130.4	396.3
EPS* - fully diluted (sen)	43.67	8.80	

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

**SINGAPORE – 25 February 2021 – 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 (“FY2020”) ended 31 December 2020.

The Group recorded an 85.0% year-on-year (“yoy”) increase in revenue to RM1.8 billion for FY2020. This was attributable to higher quantity of both healthcare and cleanroom gloves being shipped. Correspondingly, the Group's gross profit margin recorded a 351.3% surge to RM897.6 million for FY2020, while blended gross profit margin expanded 29.0 percentage points yoy to 49.1%.

Stemming from the marked increase in sales activities, selling and distribution expenses grew 25.0% yoy to RM22.0 million for FY2020. Similarly, the Group's general and administrative expenses rose 57.3% yoy to RM34.4 million due to the payout of performance incentives towards its workers.

As a result, the Group posted a 396.3% yoy surge in net profit attributable to shareholders to a record high of RM647.3 million for FY2020.

Executive Chairman and CEO, **Mr. Wong Teek Son (黄德顺)** remarked, *“In the near to medium-term, we expect demand for our healthcare examination gloves to remain robust as healthcare systems around the world continue to fulfil immediate supply shortfalls as well as replenish reserves. Apart from the healthcare segment, we continue to differentiate ourselves from our industry peers via our high-end cleanroom glove business which has experienced significant growth, driven by the advent of 5G technology and manufacturing industries including lenses, batteries and semiconductors. We remain confident that our diversified income streams and market leading position in the high-end cleanroom glove segment will ensure earnings resiliency and sustainable growth over the long-term.”*

Driven by robust core business performance and efficient working capital management, the Group generated robust operating cash flows of RM702.8 million for FY2020 (FY2019: RM167.8 million). This bolstered balance sheet strength as the Group remains in a net cash position of RM641.9 million<sup>1</sup> as at 31 December 2020 (As at 31 December 2019: Net cash position of RM117.4 million).

**Mr. Wong** added, *“For the foreseeable future, we believe that glove demand for healthcare and cleanroom gloves will remain high due to ongoing Covid-19 testing and vaccine rollout which require the usage of gloves. Furthermore, the rise in awareness of hygienic practices globally has led to a higher usage of gloves in the medical as well as other non-medical sectors such as F&B and retail.*

*In view of these prevailing trends, the completion of our latest Phase 6 capacity expansion plan is timely, raising our total annual production capacity by 1.5 billion to 10.5 billion pieces of gloves per annum. Looking ahead, we have three further expansion phases in the near-term which will add up to 1.5 billion pieces of gloves each year to raise this figure by up to 15.0 billion pieces of gloves per annum by end-FY2023, representing a growth rate of 42.9%. The new lines coming onboard will allow us to capture this burgeoning market to drive growth in the coming years.*

*As a mark of confidence in the Group’s future outlook and to reward our loyal shareholders, the Board is pleased to recommend a final and special dividend of 16.00 sen (RM) per share and 4.00 sen (RM) per share respectively, bringing total dividends for the year to 22.00 sen (RM) per share (FY2019: 3.70 sen (RM) per share).”*

– 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 2020. 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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**Issued for and on behalf of Riverstone Holdings Limited by Financial PR**

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<sup>1</sup> Net cash figure does not include lease liabilities amounted to RM1.1 million