RIVERSTONE HOLDINGS LIMITED
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Riverstone reports robust growth as net profit increases 15.1% to RM34.3 million for 3QFY2017

- Led by improved product mix and lower cost of raw materials, gross profit margin expanded 6.6 percentage points from the preceding quarter to 27.1% (3QFY2016: 26.1%)
- Balance sheet continues to strengthen with a net cash position of RM112.4 million, backed by positive operating cash flow generation of RM58.8 million
- Phase 4 expansion in progress, with four production lines commissioned thus far and three more by end FY2017, lifting total annual production capacity to 7.6 billion pieces of gloves

Financial Highlights

RM million	3QFY2017	3QFY2016	Change (%)
Revenue	187.8	167.0	12.5
Cost of Goods Sold	(137.0)	(123.4)	11.0
Gross Profit	50.8	43.6	16.7
Profit Before Tax	39.7	34.1	16.4
Net Profit	34.3	29.8	15.1
EPS* - fully diluted (sen)	4.63	4.02	15.1

*Based on weighted average of 741.1 million ordinary shares in issue

SINGAPORE – 7 Nov 2017 – 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, today announced its financial results for the third quarter ended 30 September 2017 ("3QFY2017").

Registering a 12.5% year-on-year ("yoy") growth in revenue for 3QFY2017, the Group witnessed an increase in demand for both its healthcare and cleanroom gloves. This was achieved on the back of a competitive industry landscape, where the average selling prices of the gloves were also affected by macroeconomic variables such as a weakened US dollar and lower raw material prices during the quarter.

Executive Chairman and CEO, Mr. Wong Teek Son **(黄德顺)** remarked, "We continue to take positive strides towards our growth trajectory, evidenced by advancements in both top and bottom line performances. In addition, an improved product mix and lower raw material costs uplifted our gross profit margins by 6.6 percentage points from the preceding quarter to 27.1% for 3QFY2017. While the Group's profitability was affected by the spike in raw material costs earlier this year, we have benefited from lower raw material prices during the quarter and are pleased to note that prices have remained stable since. We continue to maintain effective oversight of cost controls as we strive to minimise the impact of the external macroeconomic factors alongside industry competition that challenge our business. Further, our commitment to improving operational efficiencies such as increasing automation processes in our production has also contributed positively to our consistent net profit growth over the quarters."

In line with the Group's efforts on effective cost management, selling and distribution expenses decreased 9.2% yoy to RM3.6 million led by a reduction in marketing expenses. With majority of the Group's revenue denominated in the US Dollar, it remains susceptible to foreign exchange fluctuations. As a result, the Group posted a net foreign exchange loss of RM1.1 million for 3QFY2017, reversing gains of RM0.6 million recorded in 3QFY2016. Notwithstanding a higher effective tax rate of 13.4% for 3QFY2017 (3QFY2016: 12.5%) and higher taxable income, the Group registered a 15.1% yoy growth in net profit.

On the Group's balance sheet, it recorded an increase in inventories to RM68.0 million (RM67.0 million as at 31 December 2016 and RM63.6 million as at 30 June 2017). Given that the inventories comprised primarily work-in-progress and finished goods, this was in line with the ramp-up in orders.

Given that the hallmark for the Group's resilient balance sheet was built on its consistent ability to generate positive operating cash flow, 3QFY2017 netted a robust inflow of RM58.8 million. With efforts to optimise the Group's overall capital structure, it maintains borrowings amounting RM26.5 million on its books whilst staying in a net cash position of RM112.4 million.

Looking ahead, Mr. Wong added, "As we step into the final quarter of the year, we are pleased to report positive progress with our Phase 4 expansion. Having commissioned four production lines thus far, we are on track to have another three lines contributing to our production by end 2017. While this lifts our total annual production capacity to 7.6 billion pieces of gloves, we have our sights set on our onward growth in the years ahead. Given our revised expansion roadmap to add 1.4 billion pieces of gloves each year to 2019, we continue to stay on course to grow both our healthcare and cleanroom gloves segments."

– 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 3,000 people throughout its six manufacturing facilities in Malaysia (4), Thailand (1) and China (1) with an annual production capacity of 6.2 billion gloves as at 31 December 2016. 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)

Issued for and on behalf of **Riverstone Holdings Limited** by

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