



Lot 55 & 56, No. 13, Jalan Jasmin 2, Kawasan
Perindustrian Bukit Beruntung,
48300 Bukit Beruntung, Selangor, Malaysia.
Tel: +603-6028 3033, +603-6028 3077
Fax: +603-6028 3022

Riverstone posts 119.3% increase in net profit to RM137.5 million for 1HFY2020

- Group's revenue achieve RM626.7 million, driven by the surge in demand for our products worldwide
- Core operations continues to generate strong positive operating cash flows of RM222.2 million for 1HFY2020, bolstering balance sheet strength with a net cash position of RM264.2 million
- Phase 6 of the Group's expansion plans is on track to raise production capacity by up to 1.4 billion to a total of 10.4 billion pieces of gloves per annum by 4QFY2020
- As a mark of confidence in the Group's outlook, the Board recommends an interim dividend of 4.00 sen (RM) (1HFY2019: 1.55 sen (RM)) to reward shareholders

Financial Highlights

<u>RM million</u>	<u>1HFY2020</u>	<u>1HFY2019</u>	<u>Change (%)</u>
Revenue	626.7	480.3	30.5
Cost of Goods Sold	(429.0)	(385.4)	11.3
Gross Profit	197.7	94.9	108.4
Profit Before Tax	175.2	74.2	136.3
Net Profit to Equity Holders	137.5	62.7	119.3
EPS* - fully diluted (sen)	18.56	8.47	

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

SINGAPORE – 5 August 2020 – 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 financial results for the first half (“1HFY2020”) ended 30 June 2020.

The Group's revenue rose to RM626.7 million for 1HFY2020, attributable to the surge in global demand for our products such as healthcare examination gloves, cleanroom gloves and facemasks. The Group's gross profit recorded a 108.4% yoy surge to RM197.7 million for 1HFY2020. Correspondingly, the Group's blended gross profit margin expanded 11.8 percentage points yoy to 31.6%.

Due to the ramp up in sales activities during this period, selling and distribution expenses increased 9.0% yoy to RM9.3 million for 1HFY2020.

As a result, the Group posted a 119.3% yoy increase in net profit attributable to shareholders to RM137.5 million for 1HFY2020.

Executive Chairman and CEO, **Mr. Wong Teek Son (黄德顺)** remarked, “*While we remain supported by current industry tailwinds, we continue to focus on internal initiatives such as adopting automation to improve productivity and reduce our reliance on labor. On the other hand, our in-house R&D team continues to monitor industry trends closely and develop new products that will allow us to venture into untapped markets including the food processing, pharmaceutical and surgical glove segments. For our cleanroom glove business, we continue to build on our reputation as a technological front-runner by delivering highly customised solutions and cutting-edge products to maintain our market-leading position. With these initiatives in place, we have cultivated a business model that supports earnings resiliency and drives long-term sustainable growth.*”

To satisfy the surge in orders for the Group's healthcare gloves, the Group's balance sheet recorded a decrease in inventories to RM82.9 million as at 30 June 2020 (31 December 2019: RM97.3 million).

The Group's core operations continues to generate strong operating cash flows of RM222.2 million for 1HFY2020. This bolstered balance sheet strength as the Group's remains in a net cash position of RM264.2 million as at 30 June 2020 (31 December 2019: RM117.4 million)

Looking ahead, **Mr. Wong** added, *"There has been a rise in awareness of hygienic practices globally which has led to a higher usage of gloves in the medical as well as other non-medical sectors such as F&B and retail. Accordingly, the Malaysian Rubber Glove Manufacturers Association (MARGMA) has projected a robust 11% growth in rubber glove demand, reaching approximately 330 billion pieces in 2020¹. In light of the industry outlook, our capacity expansion plans for the coming years will serve to meet this growing demand for gloves around the world. Today, Phase 6 of our expansion plan is on track to raise capacity by up to 1.4 billion to a total of 10.4 billion pieces of gloves per annum by 4QFY2020 and will help to alleviate the current supply crunch. Looking further ahead, we are positioning ourselves to capture future growth with the launch of our new three-year expansion plan at a new production site in Taiping. The new Phases 7 to 9 is projected to grow our capacity by up to 1.4 billion pieces per year to bring capacity to 14.0-15.0 billion pieces of gloves by FY2023. As a mark of confidence in the Group's outlook and to reward our loyal shareholders, the Board recommends an interim dividend of 4.00 sen (RM) for 1HFY2020 (1HFY2019: 1.55 sen (RM))"*

– 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 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)

Issued for and on behalf of Riverstone Holdings Limited by Financial PR

Investor Relations:

Mr. Kamal Samuel

Mr. Ngo Yit Sung

Mr. Jonathan Wee

Email: Riverstone@financialpr.com.sg

Phone: +65 6438 2990

¹ "Surge in demand for gloves giving rise to new billionaires in Asia", The Straits Times, 16 June 2020