RIVERSTONE HOLDINGS LIMITED
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Riverstone's net profit rises 0.6% to RM130.4 million for FY2019

- Group's revenue rose 7.4% yoy to RM989.0 million on the back of higher sales volumes for both its cleanroom and healthcare glove segments
- Supported by strong operating cash flows of RM167.8 million, the Group's balance sheet remains resilient with a net cash position of RM117.4 million (FY2018: RM77.0 million)
- Phase 6 of the Group's expansion plans is on track to lift capacity by up to 1.4 billion to a total of 10.4 billion pieces of gloves per annum, representing a growth rate of 15.6%
- As a mark of confidence in the Group's future outlook, the Board recommends a final dividend of 5.85 sen (RM), bringing total dividends to 7.4 sen (RM) for FY2019 (FY2018: 6.75 sen (RM))

Financial Highlights

RM million	FY2019	FY2018	Change (%)
Revenue	989.0	921.0	7.4
Cost of Goods Sold	(790.1)	(731.0)	8.1
Gross Profit	198.9	190.0	4.7
Profit Before Tax	157.4	151.1	4.2
Net Profit	130.4	129.7	0.6
EPS* - fully diluted (sen)	17.60	17.50	

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

SINGAPORE – 25 February 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 fourth quarter ("4QFY2019") and full year ("FY2019") ended 31 December 2019.

The Group's revenue rose 7.4% year-on-year ("yoy") to RM989.0 million for FY2019, attributable to higher sales volumes for both its cleanroom and healthcare glove segments.

While gross profit recorded a 4.7% yoy increase to RM198.9 million for FY2019, the Group's gross profit margin contracted marginally by 0.5 percentage points to 20.1%, due mainly to a decrease in average selling price of healthcare gloves and a change in product mix. Apart from growing competition within the healthcare glove space, average selling prices were revised downwards due to down-trending raw material prices as the Group adopts a cost-plus pricing model.

In line with the higher sales activity recorded, the Group's selling and distribution expenses rose 11.1% yoy to RM17.6 million for FY2019.

Overall, net profit attributable to shareholders rose 0.6% yoy to RM130.4 million for FY2019.

Executive Chairman and CEO, **Mr. Wong Teek Son (黄德顺)** remarked, "*Moving into FY2020, we remain cognisant of industry-wide challenges such as intensifying competition, higher labour costs, foreign exchange and raw material price fluctuations among others. In the face of these headwinds, we have focused on building a resilient business by driving internal initiatives such as adopting automation to improve our production efficiency. While these initiatives have served us well, we have also continued to leverage on our reputation as a technological front-runner by delivering high-tech and customised solutions to maintain our longstanding relationships with customers. Furthermore, our in-house R&D team closely monitors industry trends and constantly develops new products that will allow us to venture into new* *market segments. In doing so, we have been able to diversify our income streams and ensure earnings resiliency for sustainable long-term growth."*

As a result of higher production volume to satisfy the increase in glove orders secured, the Group's balance sheet posted an increase in inventories to RM97.3 million as at 31 December 2019 (RM83.6 million as at 31 December 2018).

Driven by its strong core operations, the Group continues to generate robust cash inflows from operations of RM167.8 million for FY2019 (FY2018: RM167.3 million). Correspondingly, the Group remains in a healthy net cash position of RM117.4 million for FY2019 (FY2018: RM77.0 million) and is well positioned to capitalise on opportunities to expand capacity and drive growth.

Looking ahead, **Mr. Wong** added, "*Underpinned by an expanding global healthcare sector and an increase in awareness of hygienic practices throughout the industry, global sales volume for gloves is expected to grow at about 8-10% in 2020*[1]*. With that said, phase 6 of our expansion plans is on track to lift capacity by up to 1.4 billion to a total of 10.4 billion pieces of gloves per annum. This will allow us to capitalise on the burgeoning global demand that we expect to see in the coming year. Moving beyond phase 6, plans are already underway following our acquisition of a 3.8-acre landbank in Taiping where we intend to construct our new facility and expand capacity further. As a mark of confidence in the Group's future outlook and to reward our loyal shareholders, the Board recommends a final dividend of 5.85 sen (RM), bringing total dividends to 7.4 sen (RM) for FY2019 (FY2018: 6.75 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 2018. 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

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[1] "Growth in sales volume of gloves seen to continue", The Edge, 12 December 2019