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Riverstone's 2QFY2015 net profit jumps 68.1% to RM27.0 million -declares interim dividend of 2.40 sen (RM) per share-

- Revenue increased 33.2% to RM129.0 million as demand for both cleanroom and healthcare gloves continues to gain traction among customers
- Phase 2 expansion scheduled to complete ahead of time by 3QFY2015

Financial Highlights

<u>RM million</u> <u>(Y/E Dec)</u>	<u>2QFY2015</u>	<u>2QFY2014</u>	<u>Change (%)</u>
Revenue	129.0	96.9	▲ 33.2
Cost of Goods Sold	(90.2)	(71.0)	▲ 27.1
Gross Profit	38.8	25.9	▲ 49.9
Profit Before Tax	32.2	19.0	▲ 69.4
Net Profit	27.0	16.1	▲ 68.1
EPS* - basic (sen)	7.27	4.32	▲ 68.3
EPS* - fully diluted (sen)	7.27	4.32	▲ 68.3

*Based on weighted average of 371.2 million shares (2QFY2015: 371.2 million shares)

SINGAPORE - 4 August 2015 – 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 a 68.1% year-on-year (“yoy”) jump in net profit to RM27.0 million for the three months ended 30 June 2015 (“2QFY2015”). Revenue for the same period correspondingly increased 33.2% yoy to RM129.0 million.

“As we focus on our value proposition in delivering customised solutions to customers, we are pleased to report strong growth in both our top and bottom line. Achieved on the back of an increase in demand for both our cleanroom and healthcare gloves, we continue to channel efforts in delivering quality products consistently. We continue to record net cash position of RM95.9 million with zero debt. In view of our record financial performance in 1HFY2015, I am pleased to announce that the Directors have declared an interim dividend of 2.40 sen (RM) per share.”

- **Executive Chairman and CEO, Mr Wong Teek Son (黄德顺)**

Income statement review

In line with the growth in revenue, gross profit increased 49.9% yoy to RM38.8 million for 2QFY2015. While other income decreased 59.0% yoy to RM0.3 million, this was due to a utility rebate yet to be finalised by 2QFY2015.

The increase in sales activities resulted in an 11.3% yoy increase in selling and distribution expenses to RM3.0 million for 2QFY2015. General and administrative expenses also registered an increase of 31.7% yoy to RM5.2 million for 2QFY2015 mainly due to a rise in payroll costs. Within the same period, other operating expenses decreased by RM2.3 million resulting from a net foreign exchange gain of RM1.5 million and lower research and development expenses.

As a result of the above, the Group reported a 68.1% yoy jump in net profit to RM27.0 million for 2QFY2015.

Balance sheet review

As at 30 June 2015, property, plant and equipment (“PPE”) increased to RM239.9 million from RM227.6 million as at 31 December 2014. This was due to acquisition of PPE worth RM23.5 million along with foreign exchange adjustments of RM0.9 million, partially offset by a RM11.9 million depreciation charge and RM0.2 million disposal of PPE.

Trade receivables and inventories also increased from RM86.7 million to RM99.5 million and from RM42.1 million to RM56.9 million as at 30 June 2015 respectively mainly due to an increase in sales and production volume.

The Group’s current liabilities increased by 34.0% from RM56.1 million as at 31 December 2014 to RM75.2 million as at 30 June 2015. This was mainly attributed to higher payables and accruals from RM50.4 million to RM65.8 million and an increase in provision of taxation from RM3.3 million as at 31 December 2014 to RM8.5 million as at 30 June 2015.

Cash flow statement review

As at 30 June 2015, the Group generated net cash flows from operating activities of RM53.7 million and used RM23.5 million of net cash flows from investing activities for the purchase of PPE. Within the same period, net cash flows from financing activities of RM16.9 million were used for the payment of dividends.

Cash and cash equivalents increased from RM79.4 million as at 31 December 2014 to RM95.9 million as at 30 June 2015 and the Group remains debt-free.

Outlook

On the Group’s prospects, **Mr Wong** commented, “Coupled with macroeconomic challenges such as fluctuations in raw material prices, we also acknowledge the competitive industry landscape for glove manufacturing. We continue to exercise prudence to mitigate these uncertainties as we plan for our subsequent phases of expansion.

We are however encouraged by the strong demand for our products and accelerated our second phase of expansion to complete ahead of time. Scheduled for completion by the end of third quarter 2015 instead of year end, we expect to add another billion pieces to our annual production capacity, bringing it to 5.2 billion.”

-- 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 1,000 people throughout its six manufacturing facilities in Malaysia (4), Thailand (1) and China (1) with an annual production capacity of 4.2 billion gloves as at 31 December 2014. 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.my)

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

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