

## Riverstone's revenue rises 2.0% to RM209.8 million on the back of higher glove orders for 1QFY2018

- Despite the impact from foreign exchange rate volatility which led to declining average selling prices, improved cost controls and operational capabilities mitigated the decline in net profit to RM31.1 million
- Underpinned by robust positive operating cash flow generation of RM43.5 million, the Group's balance sheet continues to strengthen as net cash position improved to RM111.6 million
- Maintains growth trajectory as strong demand propels Phase 5 of the Group's expansion plans where total annual production capacity will increase 18.4% to 9.0 billion pieces of gloves by end-FY2018

### Financial Highlights

| <u>RM million</u>          | <u>1QFY2018</u> | <u>1QFY2017</u> | <u>Change (%)</u> |
|----------------------------|-----------------|-----------------|-------------------|
| Revenue                    | 209.8           | 205.7           | 2.0               |
| Cost of Goods Sold         | (163.0)         | (153.9)         | 5.9               |
| Gross Profit               | 46.9            | 51.8            | (9.5)             |
| Profit Before Tax          | 35.7            | 39.2            | (9.0)             |
| Net Profit                 | 31.1            | 33.6            | (7.6)             |
| EPS* - fully diluted (sen) | 4.19            | 4.54            |                   |

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

**SINGAPORE – 8 May 2018 – 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 first quarter ended 31 March 2018 (“1QFY2018”).

Driven by growing demand for its premium cleanroom and healthcare gloves, the Group's revenue rose 2.0% year-on-year (“yoy”) to RM209.8 million for 1QFY2018. As the majority of the Group's sales is denominated in USD, this growth in top line was achieved despite the US Dollar depreciating against the Malaysian Ringgit which translated to lower average selling prices. In addition to the foreign exchange factor, a 23.0% rise in gas input prices was another contributor to the lower gross profit margin. Overall, the weakening USD/MYR contributed to a loss of RM1.6 million for 1QFY2018 as compared to a loss of RM1.1 million for 1QFY2017.

Executive Chairman and CEO, Mr. Wong Teek Son (黄德顺) remarked, *“While encouraged by the strong demand in key markets for our premium healthcare and cleanroom gloves, we were impacted by macroeconomic headwinds weighing on our industry in the form of foreign exchange rate volatility. Nevertheless, we remain in growth mode. Our operations are robust as we continue to maintain high utilisation rates which reinforce the need for continued expansion initiatives. Furthermore, we are making improvements to operational efficiency by progressively introducing automation within our production processes. We have also been successful at reducing overall general and administrative expenses without compromising top line growth, a testament to the effectiveness of our heightened cost controls.”*

In line with the Group's plans of expanding its footprint to markets such as the US to capitalise on rising demand for both its cleanroom and healthcare gloves, selling and distribution expenses increased 2.2% yoy to RM3.9 million for 1QFY2018, mainly from a hike in marketing expenses.

The Group continued to generate strong positive operating cash flows amounting to RM43.5 million for 1QFY2018. This contributed to a strengthening balance sheet as the Group's net cash position improved to RM111.6 million as at 31 March 2018 (31 December 2017: RM89.3 million).

Mr. Wong added, *“Following the successful commissioning of the seven new production lines under Phase 4 of our expansion plans, we are pleased to report that Phase 5 is currently in full swing and is poised to lift our total annual capacity from 7.6 billion pieces of gloves as at 31 December 2017 to 9.0 billion by the end of FY2018. Subsequently, Phase 6 is projected to raise this figure to 10.4 billion pieces of gloves per annum by end FY2019, representing a growth rate of 36.8% over the next two years. With this added capacity in the pipeline, we continue to extend our marketing efforts toward existing and new customers from newer geographies such as the US to capture the region’s burgeoning demand for our products. Given that our existing production lines continue to perform at close to full capacity utilisation, we are confident that our persevering efforts to drive growth in both the cleanroom and healthcare glove segment will allow us to maintain our growth trajectory as we progress into the remainder of FY2018.”*

**– 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 7.6 billion gloves as at 31 December 2017. 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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