



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 22.4% growth in net profit to record high RM71.0 million in FY2014

- Revenue increases 11.6% to RM399.3 million from RM357.9 million in FY2013
- Completed Phase 1 expansion plan in Taiping, Malaysia, bringing total production capacity to 4.2 billion pieces as at 31 December 2014
- Net cash position of RM79.4 million as at 31 December 2014
- Board of Directors recommends a final dividend per share of 4.55 sen (RM), bringing total dividends to 6.9 sen (RM) for FY2014

Financial Highlights

<u>RM million (Y/E Dec)</u>	<u>FY2014</u>	<u>FY2013</u>	<u>Change (%)</u>
Revenue	399.3	357.9	▲11.6
Cost of Goods Sold	(290.5)	(260.1)	▲11.7
Gross Profit	108.9	97.8	▲11.3
Profit Before Tax	81.1	72.6	▲11.7
Net Profit	71.0	58.0	▲22.4
EPS* - basic (sen)	19.11	16.02	▲19.3
EPS*- fully diluted (sen)	19.11	16.02	▲19.3

*Based on weighted average of 371.2 million shares (FY2013: 361.9 million shares)

SINGAPORE - 25 February 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 reported a 11.6% year-on-year (“yoy”) increase in revenue to RM399.3 million in the full year ended 31 December 2014 (“FY2014”). Similarly, net profit for FY2014 increased 22.4% yoy to RM71.0 million.

“We are pleased to report strong growth in our top and bottom-line in FY2014 buoyed by higher demand for our cleanroom and healthcare gloves. Despite the increasingly competitive industry landscape, we remain committed to our strategy as a differentiated and quality glove provider. Moving forward, we seek to further penetrate the global market through our two-prong growth strategy supported by our production capacity expansion plans. As a result, the Board is happy to recommend a final dividend of 4.55 sen (RM) per share, which brings the full year dividends to 6.9 sen (RM) (FY2013: 6.8 sen (RM)) per share.”

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

Income statement review

The Group reported a growth in gross profit of 11.3% yoy to RM108.9 million in FY2014. Other income also increased yoy by 9.5% to RM2.4 million in FY2014, mainly attributed to a utility rebate and an increase in interest income from fixed deposits.

In FY2014, selling and distribution expenses rose 17.8% yoy to RM11.1 million in FY2014 due to an increase in sales activities for cleanroom and healthcare gloves. In addition, general and administrative expenses increased 5.3% yoy to RM18.2 million in FY2014 mainly due to an increase in payroll costs. Lastly, the Group's other operating expenses increased by 25.5% to RM 0.9 million as a result of higher general maintenance expenses as compared to the corresponding year.

Overall, the Group's net profit grew 22.4% yoy to RM71.0 million in FY2014 as a result of the above.

Balance sheet review

As at 31 December 2014, non-current assets registered a yoy increase from RM165.8 million to RM227.6 million mainly due to the acquisition of property, plant and equipment amounting to RM80.3 million as well as foreign exchange adjustments of RM0.9 million, offset by a depreciation charge of RM19.4 million.

During the same period, trade receivables and inventories increased from RM62.5 million to RM86.7 million and from RM35.7 million to RM42.1 million respectively, mainly attributed to an increase in sales and production volume.

Current liabilities also rose by 25.1% yoy from RM44.9 million to RM56.1 million as at 31 December 2014 due to a higher payables and accruals from RM39.3 million on 31 December 2013 to RM50.4 million in the corresponding year as at 31 December 2014 and a decrease in tax provision from RM5.3 million to RM3.3 million for the same period.

Cash flow statement review

As at 31 December 2014, the Group recorded positive cash flow of RM62.8 million from operating activities and utilised RM75.4 million in investing activities which were for the purchase of property, plant and equipment and a final installment paid for the purchase of a piece of land.

Despite a reduction in net and cash equivalents from RM114.0 million to RM79.4 million as at 31 December 2014, the Group remains debt-free.

Outlook

On the Group's prospects, **Mr Wong** commented, "Our first phase of expansion has been completed and we can now expect an additional production of one billion gloves this year, bringing total annual production capacity to 4.2 billion gloves. In order to tap on the growing global market for nitrile gloves, we have embarked on our second phase of expansion and production is expected to commence by the fourth quarter of 2015, adding another billion gloves to our production capacity. Maintaining our leadership position in cleanroom gloves as well as growing our market share in the healthcare gloves sector, we continue to adopt a prudent approach to our expansion plans while focusing on improving productivity of our new and existing lines.

In view of the uncertainty surrounding the macro-environment, we remain vigilant about the movement in commodity prices, fluctuations in the US currency and competition from other glove manufacturers."

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 five manufacturing facilities in Malaysia (3), 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

Financial PR Pte. Ltd.

Mr. Tok Chong Yap

Senior Consultant

chongyap@financialpr.com.sg

Ms. Stephanie Chong

Associate

stephanie@financialpr.com.sg

Tel: (65) 6438 2990

Fax: (65) 6438 0064