



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's net profit surges 68.6% to RM27.0 million for 1QFY2015 driven by increased demand and product mix

- Revenue correspondingly increased 44.8% to RM127.2 million driven by increased sales volume as Phase 1 of expansion comes onboard, adding one billion pieces of gloves yearly
- Phase 2 of expansion is on track for completion by end of FY2015, ramping up total annual production capacity to 5.2 billion pieces of gloves
- Continues to generate positive operating cash flow quarterly resulting in a net cash position of RM96.8 million to support capacity expansion plans

Financial Highlights

<u>RM million (Y/E Dec)</u>	<u>1QFY2015</u>	<u>1QFY2014</u>	<u>Change (%)</u>
Revenue	127.2	87.8	▲44.8
Cost of Goods Sold	(87.0)	(60.9)	▲42.8
Gross Profit	40.2	26.9	▲49.2
Profit Before Tax	32.9	20.0	▲64.8
Net Profit	27.0	16.0	▲68.6
EPS* - basic (sen)	7.28	4.31	▲68.9
EPS [#] - fully diluted (sen)	7.28	4.31	▲68.9

*Based on weighted average of 371.2 million shares (1QFY2015: 371.2 million shares)

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SINGAPORE - 4 May 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 44.8% year-on-year (“yoy”) increase in revenue to RM127.2 million in the three months ended 31 March 2015 (“1QFY2015”). Within the same period, net profit also increased 68.6% yoy to RM27.0 million.

“Following the completion of our first phase of capacity expansion which added one billion pieces of gloves to our production capacity as at end of 2014 to 4.2 billion, we witnessed the positive contribution in this quarter’s financial performance with record high revenue and net profit. Our extensive experience with designing our own production lines and efforts to pre-train the production team prior to commencement allowed us to maximise our utilisation levels. In addition, we benefited from margin expansion due to a better product mix and higher sales volume of our products. Leveraging on our strength as a differentiated quality glove provider, we remain committed to our two-prong growth strategy in both cleanroom and healthcare gloves in order to create value for our shareholders.”

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

Income statement review

The Group registered a growth in gross profit of 49.2% yoy to RM40.2 million in 1QFY2015. In contrast, other income decreased yoy by 46.9% to RM0.3 million in 1QFY2015, mainly due to a decrease in interest income from fixed deposits.

Due to the increase in sales activities, selling and distribution expenses increased 54.7% yoy to RM3.3 million in 1QFY2015. General and administrative expenses also rose 33.0% yoy to RM6.0 million mainly attributed to an increase in payroll costs. Conversely, other operating expenses decreased by RM 2.6 million as a result of net foreign exchange gain and lower research and development expenses in 1QFY2015.

Balance sheet review

As at 31 March 2015, property, plant and equipment increased to RM234.8 million from RM227.6 million mainly due to the acquisition of property, plant and equipment for RM12.0 million coupled with foreign exchange adjustments of RM1.2 million and offset by a depreciation charge of RM6.0 million.

The Group's trade receivables and inventories increased from RM86.7 million to RM94.5 million and from RM42.1 million to RM50.1 million respectively from 31 December 2014 to 31 March 2015, mainly attributed to higher sales and production volume.

During the same period, current liabilities rose 16.6% from RM56.1 million to RM65.4 million due to a higher payables and accruals from RM50.4 million to RM58.0 million and an increase in provision of taxation from RM3.3 million to RM5.9 million.

Cash flow statement review

As at 31 March 2015, the Group generated net cash flow from operating activities of RM26.2 million. Net cash flows from investing activities of RM12.1 million were also used for the purchase of property, plant and equipment. There were no net cash flows used in financing activities in 1QFY2015.

The Group remains debt-free, with an increase in cash and cash equivalents from RM79.4 million as at 31 December 2014 to RM96.8 million as at 31 March 2015.

Outlook

On the Group's prospects, **Mr Wong** commented, "Our second phase of expansion is currently underway and on track for completion by the end of FY2015. Adding another billion glove pieces to our annual production capacity, this will bring our total annual production capacity to 5.2 billion as at 31 December 2015. Going forward, we acknowledge the increasingly competitive landscape for the glove manufacturing sector and continue to remain cautious about fluctuations in commodity prices and US currency. We are however optimistic about our growth prospects as we continue to focus on our capacity expansion plans and ramp up production to ride on the growing global demand for gloves."

-- 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

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