



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 3QFY2015 net profit surges 114.0% to RM35.3 million bolstered by uptick in demand for gloves

- Phase 2 expansion completed on schedule, to add one billion pieces of gloves in annual production capacity to 5.2 billion gloves by the end of 4QFY2015
- Continue with Phase 3 expansion which will add another billion in production capacity in order to capture strong order demand from new and existing customers
- Continues to generate strong positive operating cash flow of RM54.7 million building a debt-free balance sheet with cash and cash equivalents of RM136.5 million to support further expansion phases

### Financial Highlights

<u>RM million (Y/E Dec)</u>	<u>3QFY2015</u>	<u>3QFY2014</u>	<u>Change (%)</u>
Revenue	150.6	102.7	▲46.7
Cost of Goods Sold	(102.6)	(76.2)	▲34.7
Gross Profit	48.0	26.5	▲81.3
Profit Before Tax	40.1	19.8	▲103.0
Net Profit	35.3	16.5	▲114.0
EPS* - basic (sen)	9.52	4.45	▲114.0
EPS* - fully diluted (sen)	9.52	4.45	▲114.0

\*Based on weighted average of 371.2 million shares (3QFY2015: 371.2 million shares)

**SINGAPORE - 5 November 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 surge in net profit of 114.0% year-on-year (“yoy”) to RM35.3 million for the three months ended 30 September 2015 (“3QFY2015”). Supported by a strong demand for the Group’s products, revenue for the period also recorded a 46.7% yoy increase to RM150.6 million.

“We remain on track in delivering quality results to customers and shareholders in the third quarter with top and bottom line growth. Apart from improving our operational processes with higher levels of automation, we also benefited from the strengthening US dollar against Malaysian Ringgit and stable raw material prices.

During the quarter, we also transitioned seamlessly into the second leg of growth as we completed our Phase 2 expansion on schedule. This not only reflects our experience but also expertise as we carried forth our successful implementation of Phase 1 expansion. I believe we are well positioned going forward as we remain committed in customising our solutions to better suit customers’ needs.”

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

## **Income statement review**

In view of the Group's growth in revenue, gross profit increased correspondingly by 81.3% yoy to RM48.0 million for 3QFY2015. Other income correspondingly increased 20.0% yoy to RM0.4 million mainly due to an increase in interest income from fixed deposits in 3QFY2015.

Selling and distribution expenses rose 53.3% yoy to RM4.1 million for 3QFY2015, attributed to an increase in sales activities. General and administrative expenses also climbed 76.4% yoy to RM8.1 million for 3QFY2015 mainly due to an increase in payroll costs. The Group registered net credit in other operating expenses of RM3.7 million due to a net foreign exchange gain, offset by a fair value loss on derivatives and research and development expenses.

As a result of the above, the Group reported a 114.0% yoy increase in net profit to RM35.3 million for 3QFY2015.

## **Balance sheet review**

As at 30 September 2015, property, plant and equipment ("PPE") increased to RM256.0 million from RM227.6 million as at 31 December 2014. This was due to acquisition of PPE worth RM44.1 million in addition to a foreign exchange adjustment of RM2.6 million, partially offset by a RM18.1 million depreciation charge and RM0.2 million disposal of PPE.

Within the same period, trade receivables and inventories also increased from RM86.7 million to RM111.6 million and from RM42.1 million to RM60.0 million respectively mainly due to an increase in sales and production volume.

The Group's current liabilities increased from RM56.1 million as at 31 December 2014 to RM105.9 million as at 30 September 2015. This was mainly attributed to higher payables and accruals from RM50.4 million to RM81.2 million, an increase in derivatives from RM2.4 million to RM13.4 million and an increase in provision of taxation from RM3.3 million to RM11.3 million.

## **Cash flow statement review**

As at 30 September 2015, the Group generated positive cash flows from operating activities of RM108.4 million and utilised RM44.1 million of cash from investing activities for the purchase of PPE.

The Group remains debt-free, with an increase in cash and cash equivalents from RM79.4 million as at 31 December 2014 to RM136.5 million as at 30 September 2015.

## **Outlook**

On the Group's prospects, **Mr Wong** added, "In order to capture the growth in orders from our new and existing customers, we accelerated our expansion plans and had commenced construction of our third phase. This is expected to add another billion pieces of gloves to a total production capacity of 6.2 billion by the third quarter of 2016.

While we look ahead to seek growth, we maintain a prudent approach in addressing industry's challenges which include the competitive landscape, fluctuations in raw material pricing and foreign currencies."

-- 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) and will have an annual production capacity of 5.2 billion gloves as at 31 December 2015. 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](http://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](mailto:chongyap@financialpr.com.sg)

Tel: (65) 6438 2990

Fax: (65) 6438 0064

**Ms. Stephanie Chong**

Senior Associate

[stephanie@financialpr.com.sg](mailto:stephanie@financialpr.com.sg)