



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 rises 1.6% to RM129.7 million for FY2018

- Driven by growing sales volume for both its cleanroom and healthcare glove segments, the Group's revenue rose 12.7% yoy to RM921.0 million
- Core operations continue to generate robust operating cash flow amounting to RM167.3 million, while balance sheet remains resilient with a net cash position of RM77.0 million
- New production lines from phase 5 expansion plans fully commissioned, lifting total annual capacity to 9.0 billion pieces of gloves; phase 6 underway to raise capacity to 10.4 billion by end-FY2019
- As a mark of confidence, the Board recommends a final dividend of ~~5.70~~ 5.45 sen (RM), bringing total dividends to ~~7.0~~ 6.75 sen (RM) for FY2018 (FY2017: 7.0 sen (RM))

### Financial Highlights

<u>RM million</u>	<u>FY2018</u>	<u>FY2017</u>	<u>Change (%)</u>
Revenue	921.0	817.4	12.7
Cost of Goods Sold	(731.0)	(619.7)	18.0
Gross Profit	190.0	197.8	(3.9)
Profit Before Tax	151.1	148.6	1.7
Net Profit	129.7	127.6	1.6
EPS* - fully diluted (sen)	17.50	17.22	1.6

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

**SINGAPORE – 25 February 2019 – 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 fourth quarter (“4QFY2018”) and full year (“FY2018”) ended 31 December 2018.

Supported by growth in sales volume for both its cleanroom and healthcare glove segments, the Group's revenue rose 12.7% yoy to RM921.0 million for FY2018. On the other hand, the Group's gross profit decreased 3.9% yoy to RM190.0 million for FY2018 while gross profit margin contracted 3.6 percentage points to 20.6%, mainly attributable to a decline in average selling prices of healthcare gloves as well as a change in product mix. Apart from reflecting heightened competitive pressures for the healthcare glove segment, the downward price revision is in line with falling prices of butadiene, a key raw material used in the production of the Group's nitrile-based gloves.

In line with plans to expand its footprint in other geographies such as the US to capture growing demand, the Group's selling and distribution expenses increased 5.8% yoy to RM15.8 million for FY2018. With majority of the Group's revenues denominated in the US Dollar, a gradual appreciation of the currency during the year caused a net foreign exchange gain of RM0.6 million for FY2018, as compared to a loss of RM6.2 million in the preceding year.

As a result, net profit attributable to shareholders rose 1.6% yoy to RM129.7 million for FY2018.

Executive Chairman and CEO, **Mr. Wong Teek Son (黄德顺)** remarked, “*Even as we face an increasingly competitive landscape for our healthcare gloves segment, our core operations remain robust as we have been consistently maintaining high utilisation rates at our factories. Internally, we choose to tackle these headwinds by focusing on improving operational efficiency through the use of automation within our processes and tightening cost controls. Furthermore, we continue to tap on our ability to provide highly customised solutions and maintaining close relationships with our end-customers, so as to differentiate ourselves against our peers.*”

*Making up approximately 30.0% of global demand<sup>1</sup>, the US market is the world's largest medical glove consumer and remains a key growth driver for the Group. In this light, our deliberate efforts to expand into the US market to capture untapped demand have seen positive sales traction as revenue from the US market grew 17.4% yoy to RM186.1 million for FY2018, solidifying its position as our second largest market behind our mainstay European market."*

The Group's balance sheet recorded an increase in inventories to RM83.6 million as at 31 December 2018 (RM71.1 million as at 31 December 2017). Given that inventories comprise mainly raw materials, work-in-progress and finished goods, this increment is in line with the ramp up in orders secured for the Group's newly commissioned production capacity.

The Group's core operations continue to generate robust cash inflows from operations of RM167.2 million for FY2018 (FY2017: RM145.7 million). To achieve an optimal capital structure, the Group maintains borrowings amounting RM20.0 million, while remaining in a healthy net cash position of RM77.0 million.

Looking ahead, **Mr. Wong** added, *"We are pleased to note the accomplishment of yet another milestone as we completed phase 5 of our expansions plans, bringing our total production capacity to 9.0 billion pieces of gloves per annum as at 31 December 2018. That said, we continue to remain in growth mode. Our next phase of expansion is already underway to raise capacity by another 1.4 billion to a total of 10.4 billion pieces of gloves by the end of FY2019. Underpinned by an expanding global healthcare sector as well as greater awareness of hygienic practices throughout the industry, we expect robust growth for healthcare gloves in the years moving forward. As such, we have begun mapping out the blueprint for further expansion beyond FY2019, setting our sights on raising capacity by acquiring 14.64 acres of land in Taiping, Malaysia. This will allow us to capitalise on burgeoning global demand for both our high-tech cleanroom and specialised healthcare gloves.*

*While we adopt a prudent approach in utilising our cash resources for future capital expenditure to support our growth plans, it is equally important for us to reward our loyal shareholders. As a mark of confidence in the Group's outlook, the Board is pleased to recommend a final dividend of ~~5.70~~ 5.45 sen (RM) per share, lifting full year dividends to ~~7.0~~ 6.75 sen (RM) per share, representing a payout ratio of ~~40.0~~ 38.6%."*

– 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 9.0 billion gloves as at 31 December 2018. 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))

---

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

#### **Investor Relations:**

Mr. Kamal Samuel  
Mr. James Bywater  
Mr. Jonathan Wee  
Email: [Riverstone@financialpr.com.sg](mailto:Riverstone@financialpr.com.sg)  
Phone: +65 6438 2990

---

<sup>1</sup> “M'sian glove manufacturers likely to gain if US-China trade war worsens”, The Edge Markets, 12 February 2019