RIVERSTONE HOLDINGS LIMITED
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Riverstone posts 14.6% growth in revenue to RM240.5 million for 1QFY2019

- In spite of heightened competitive pressures which led to lower average selling prices, improved cost controls and operational efficiency mitigated the impact as net profit declined 2.8% yoy to RM30.2 million
- Core business continues to generate strong positive operating cash flows of RM50.6 million for 1QFY2019, bolstering balance sheet strength to a net cash position of RM110.6 million
- Phase 6 expansion plans on track to raise capacity by 15.6% to 10.4 billion pieces of gloves per annum by end-FY2019

Financial Highlights

RM million	1QFY2019	1QFY2018	Change (%)
Revenue	240.5	209.8	14.6
Cost of Goods Sold	(193.9)	(163.0)	19.0
Gross Profit	46.6	46.9	(0.5)
Profit Before Tax	35.6	35.7	(0.3)
Net Profit	30.2	31.1	(2.8)
EPS* - fully diluted (sen)	4.08	4.19	

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

SINGAPORE – 13 May 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 first quarter ("1QFY2019") ended 31 March 2019.

Driven by growing sales volume for both its healthcare and cleanroom gloves, the Group's revenue rose 14.6% year-on-year ("yoy") to RM240.5 million for 1QFY2019. The Group's gross profit on the other hand declined marginally by 0.5% yoy to RM46.6 million for 1QFY2019, while gross profit margin contracted 2.9 percentage points to 19.4%. This contraction was mainly attributable to a change in product mix and decrease in average selling prices of healthcare gloves. Apart from heightened competition in the market, the downward price revision reflects the falling prices of Butadiene, a key raw material used in the production of the Group's nitrile-based gloves.

Following the completion of its phase 5 expansion plans – raising total production capacity to 9.0 billion pieces of gloves per annum – the Group continues to ramp up its sales efforts to secure orders and capture growth. Correspondingly, selling and distribution expenses increased 10.4% yoy to RM4.3 million for 1QFY2019.

Overall, net profit attributable to shareholders recorded a 2.8% yoy decline to RM30.2 million for 1QFY2019.

Executive Chairman and CEO, **Mr. Wong Teek Son (黄德顺)** remarked, "*While we remain in growth mode, we do acknowledge that macroeconomic uncertainties and a highly competitive landscape has translated to downward pressure on our margins and profitability. To mitigate the impact of these external headwinds, we will raise our efforts in tightening cost controls and invest in automation to enhance our operational efficiency. Furthermore, we continue to leverage on our ability to provide highly customised solutions and maintain close relationships with our end-customers to differentiate ourselves against our peers. Supported by a resilient balance sheet and strong generation of operating cash flows, we are confident that these strategic initiatives will allow us to build a sustainable business model for the long-term.*"

The Group's balance sheet recorded an increase in inventories to RM91.6 million as at 31 March 2019 (RM83.6 million as at 31 December 2018). Given that inventories comprise mainly work-in-progress and finished goods, this increment is in line with the growth in sales and production volume.

The Group continued to generate strong positive operating cash flows amounting to RM50.6 million for 1QFY2019. This contributed to a resilient balance sheet as the Group's net cash position improved to RM110.6 million as at 31 March 2019 (31 December 2018: RM77.0 million).

Looking ahead, **Mr. Wong** added, "*Subject to market conditions, phase 6 of our capacity expansion plans is expected to add 1.4 billion pieces to amass a total production capacity of 10.4 billion pieces of gloves per annum by end FY2019. With the market for healthcare gloves expected to grow at approximately 8.0%[1] per annum on a large base of approximately 268 billion[2] pieces worldwide, the new lines coming onboard will allow us to capitalise on this burgeoning demand. In anticipation of sustained demand beyond 2019, we have set our sights on raising capacity further with the acquisition of a 14.64-acre land bank in Taiping, Malaysia which will accommodate our new production plants.*"

– 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)

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

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[1] "Robust growth in FY19 seen for rubber glove sector", The Edge Markets, 14 January 2019
[2] "MARGMA: M'sia to grow global market share of gloves to 68% over next 2 years", The Edge Markets, 23 August 2018