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Riverstone's posts 10.9% growth in net profit to RM35.6 million for 3QFY2019

- Revenue rose 4.9% yoy to RM251.3 million driven by robust demand for the Group's cleanroom and healthcare glove products
- Core business generates strong operating cash flows of RM47.0 million, strengthening the Group's net cash position to RM111.7 million as at 30 September 2019 (As at 31 December 2018: RM77.0 million)
- Phase 6 of the Group's expansion plans is on track to raise total annual production capacity from 9.0 billion up to 10.4 billion pieces of gloves per annum, representing 15.6% growth

Financial Highlights

RM million	3QFY2019	3QFY2018	Change (%)
Revenue	251.3	239.5	4.9
Cost of Goods Sold	(199.9)	(193.4)	3.3
Gross Profit	51.4	46.1	11.4
Profit Before Tax	41.8	37.4	11.8
Net Profit	35.6	32.1	10.9
EPS* - fully diluted (sen)	4.81	4.33	

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

SINGAPORE – 7 November 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 has announced its financial results for the third quarter (“3QFY2019”) ended 30 September 2019.

Backed by rising orders for both cleanroom and healthcare glove segments, the Group recorded a 4.9% year-on-year (“yoy”) increase in revenue to RM251.3 million for 3QFY2019. Attributable to the Group's ongoing efforts to enhance production efficiency, gross profit rose 11.4% yoy to RM51.4 million for 3QFY2019. As a result, the Group's gross profit margin improved yoy, expanding 1.2 percentage points to 20.5% for 3QFY2019.

Supported by effective cost controls, the Group's selling and distribution expenses decreased 3.9% yoy to RM4.2 million for 3QFY2019, attributable mainly to lower sales commission paid. On the other hand, the Group's general and administrative expenses decreased 2.6% yoy to RM5.3 million during the quarter due to a reduction in performance incentives paid.

Overall, the Group's reported net profit attributable to shareholders increased 10.9% yoy to RM35.6 million for 3QFY2020.

Executive Chairman and CEO, **Mr. Wong Teek Son** (黄德顺) remarked, “*We are pleased to note that our efforts to optimise our manufacturing processes have yielded positive results, as we have been able to improve our gross profit margins steadily over the year. As we continue to monitor potential macroeconomic uncertainties such as forex fluctuations, volatile raw material prices and increases in production costs, we understand the importance of focusing on internal initiatives that will allow us mitigate the risks of these headwinds. Moving forward, we will continue to invest in and incorporate automation within our operations to raise productivity and ensure earnings resiliency. Furthermore, we will capitalise on our highly skilled R&D team to formulate new and improved products to capture new market segments, diversify our revenue streams and cultivate a sustainable business model built for long-term growth.*”

Stemming from an increase in order allocations from both new and existing customers leading to higher production volume, the Group's balance sheet recorded a hike in inventories to RM100.7 million as at 30

September 2019 (31 December 2018: RM83.6 million). In anticipation of the new production lines from phase 6 of the Group's expansion plans coming onboard, the increment in inventories is also in line with the ramp up in orders expected.

Driven by robust core business performance and efficient working capital management, the Group generated positive operating cash flows of RM47.0 million for 3QFY2019. This contributed to a stronger balance sheet as at 30 September 2019, as the Group's net cash position strengthened to RM111.7 million as at 30 September 2019 (As at 31 December 2018: RM77.0 million).

Looking ahead, **Mr. Wong** added, *"Moving into the last quarter of FY2019, our Phase 6 expansion plans to raise production capacity up to 10.4 billion pieces of gloves per annum is on track, as we progressively commission production lines up until the end of the year or into the first quarter of FY2020, subject to prevailing market conditions. Our sales and marketing efforts have also garnered momentum as we continue to secure order allocations from both our new and existing customers. With global demand for rubber gloves expected to increase by approximately 12.0% to 300 billion gloves in 2019¹, the new lines coming onboard will allow us to capitalise on this burgeoning demand to drive growth in the coming years."*

– 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 "Rubber glove industry urged to further tap into African market", The Star Online, 24 July 2019