



RIVERSTONE HOLDINGS LIMITED

200510666-D

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

MEDIA RELEASE

Riverstone's 1H 2010 net profit more than doubled to RM 20.2 million
- 2Q 2010 net profit up 43% to RM 9.7 million;
interim one-tier tax exempt dividend of 2.2 sen per share -

RM million Y/E Dec	2Q 2010	2Q 2009	Chg	1H 2010	1H 2009	Chg
Revenue	54.0	37.7	+43%	106.8	63.5	+68%
Cost of goods sold	(38.3)	(26.5)	+45%	(74.7)	(47.3)	+58%
Gross Profit	15.7	11.2	+40%	32.1	16.2	+98%
Profit before tax	11.0	7.3	+51%	22.6	9.4	+141%
Net Profit	9.7	6.8	+43%	20.2	8.6	+135%
EPS * (sen)	3.1	2.2		6.5	2.8	

**Based on 309.5 million ordinary shares*

- Stellar performance on the back of continued strong demand from semiconductor and healthcare customers
- Positive outlook on expected growth in demand and capacity expansion; phase 1 of new Taiping plant commences on 15 August 2010
- Interim one-tier tax-exempt dividend of 2.2 sen per share

4 August 2010 – SGX Mainboard-listed Riverstone Holdings Limited ('Riverstone' or 'the Group') 立合斯顿有限公司, a leading manufacturer of cleanroom gloves used in highly controlled and critical production environments, reported a 68% rise in revenue to RM 106.8 million for the six months ended 30 June 2010 (1H 2010). Net profit more than doubled to RM 20.2 million, compared to RM 8.6 million in 1H 2009. The performance was boosted by a stellar performance in the second quarter where revenue and net profit rose 43% to RM 54.0 million and RM 9.7 million respectively.

"I am pleased to report that Riverstone has chalked up its fifth quarter of consecutive growth in revenue since 1Q 2009, buoyed by continuing strong demand from our customers in the semiconductor and healthcare sectors. In view of the good performance in the past half year, I am delighted to announce that the Board has recommended an interim one-tier tax-exempt dividend of 2.2 sen per share for the financial year ending 31 December 2010."

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

2Q 2010 Performance

For the three months ended 30 June 2010 (2Q 2010), group revenue rose 43% to RM 54.0 million on continued strong demand for Riverstone's cleanroom and healthcare gloves. Gross profit rose 40% from RM 11.2 million to RM 15.7 million and gross margins fell slightly from 30% to 29% on the back of higher raw material prices. Other income declined by 12% to RM 0.2 million due to lower interest income. Comparing the increase in group revenue, selling and distribution expenses and general and admin expenses rose by a lower 31%, from RM 3.4 million to RM 4.5 million. This was due to better operating efficiencies and higher productivity achieved. Other operating expenses halved to RM 0.3 million, mainly due to a net foreign exchange gain of RM 0.4 million compared to a net foreign exchange loss of RM 0.1 million in 2Q 2009.

2Q 2010 pretax profit rose 51% to RM 11.0 million. Effective tax rate of 11.8 % was higher than the 7.1% a year ago, due to reduced tax concessions at certain overseas subsidiaries. Net profit expanded 43% to RM 9.7 million. Earnings per share were 3.1 sen (2Q 2009: 2.2 sen).

1H 2010 Performance

For the six months ended 30 June 2010 (1H 2010), group revenue rose 68% to RM 106.8 million. Gross profit rose a higher 98% from RM 16.2 million to RM 32.1 million, as gross margins expanded from 25% to 30%. Other income, increased 79% to RM0.7 million, mainly due to a settlement received from a local utility company for disruptions caused. Selling and distribution expenses, and general and admin expenses rose 35% from RM 6.5 million to RM 8.7 million. Other operating expenses rose from RM 0.7 million to RM 1.4 million, mainly due to a net foreign exchange loss of RM 0.4 million compared to a net foreign exchange gain of RM 0.4 million in 1H 2009.

1H 2010 pretax profit rose 141% to RM 20.6 million from RM 9.4 million, while net profit expanded 135% to RM20.2 million. Earnings per share were 6.5 sen (1H 2009: 2.8 sen).

Annualised return on equity was a robust 22%, up from 17% for FY2009.

Robust Balance Sheet

In 1H 2010, the Group generated RM 25.2 million in net operating cashflows, up from RM 11.9 million for the same period in 2009. The Group used RM 17.3 million in investing activities for the net purchase of property, plant and equipment, mainly for its new plant in Taiping, Perak. Net cashflows used in financing activities were RM 8.9 million, mainly for the payment of dividends to shareholders.

Cash and cash equivalents stood at RM 44.1 million as at 30 June 2010, down slightly from RM 47.2 million as at 31 December 2009.

As a result of the better financial performance, total shareholders' funds as at 30 June 2010 rose to RM 180.4 million, from RM 171.4 million as at 31 December 2009. Total borrowings was RM 0.5 million. Net assets per share were 58.3 sen, up from 55.4 sen as at 31 December 2009.

Outlook

“The semiconductor sector is witnessing its strongest recovery in growth in ten years. As an established maker of cleanroom gloves, Riverstone is well positioned to benefit from this recovery. The first dipping line at our new plant in Taiping, Perak should be ready by 15 August 2010 while the second dipping line will be operational in early September 2010. This will help us meet the strong backlog of demand. And this should help sustain our good performance in the coming quarters.”

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

According to industry sources, the hard disk drives and semiconductor industries are expected to grow 10-15% annually through to 2012. Demand in these industries is currently fuelled by a strong rebound in both business enterprise spending and consumer PC demand. We also expect global consumption of healthcare gloves to continue to grow.

The Group’s expansion plan is also on schedule. It is currently building a new factory in Taiping, Perak in two phases, to be completed by end 2011. When completed, the new production facilities will contribute to approximately 350 million additional gloves each in Phase I and II thereby increasing the Group’s total production capacity to 1.85 billion gloves, from 1.1 billion gloves per annum as at end 2009.

The Group added that volatile commodity prices and the weakening of the US currency will continue to be challenges for the Group.

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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. 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, and more recently premium healthcare gloves and face masks. Its customers are global leaders in the HDD, LCD, semiconductor, consumer electronics and pharmaceutical industries. The company employs more than 1,000 people throughout its five manufacturing facilities in Malaysia (3), Thailand (1) and China (1) with an annual production capacity of 1.2 billion gloves as at 30 June 2010. 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 Exchange in 2006. www.riverstone.com.my

Media/IR Contact:

Juliet Ang, NRA Capital Pte Ltd
Tel: (65) 6236 6895; (65) 9839 9016

Email: juliet.ang@nracapital.com

Hu Junli, NRA Capital Pte Ltd
Tel: (65) 6236 6894; (65) 9826 5516

Email: junli.hu@nracapital.com