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## MEDIA RELEASE

### Riverstone's net profit jumps 63% in 9M 2010 to RM 30.1 million

RM million (Y/E Dec)	3Q 2010	3Q 2009	Chg	9M 2010	9M 2009	Chg
Revenue	54.7	44.8	+22%	161.5	108.3	+49%
Cost of goods sold	(38.5)	(29.1)	+32%	(113.1)	(76.4)	+48%
Gross Profit	16.2	15.7	+4%	48.4	31.9	+52%
Profit before tax	10.2	11.1	-8%	32.9	20.5	+60%
Net Profit	9.9	9.9	0%	30.1	18.5	+63%
EPS * (sen)	3.19	3.21		9.68	5.98	
EPS # (Fully diluted)	2.96	3.21		8.98	5.98	

\*Based on weighted average no. of shares of 311.2 million ordinary shares

# Based on fully diluted no. of shares of 335.3 million ordinary shares

- Underlying demand is stronger but masked by the weak USD
- Unit sales of gloves rose 33% in 3Q and 64% for 9M
- Outlook remains positive on strong demand and on-track capacity expansion; annual capacity to double to 1.8 billion pieces by end of 2010 from 1.1 billion as at end 2009.

**1 November 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, has achieved a 49% rise in group revenue to RM 161.5 million for the nine months ended 30 September 2010 (9M 2010). Net profit was up 63% to RM 30.1 million, compared to RM 18.5 million in 9M 2009.

*“Unlike other rubber glove manufacturers, Riverstone has not been as adversely affected by the volatile rubber prices and normalization of demand of healthcare gloves. We are a niche manufacturer of high-end nitrile gloves for the electronics manufacturing and healthcare sectors, both of which are still experiencing strong demand. However, like all glove manufacturers, we are somewhat affected by our exposure to the USD as about half of our sales are USD and HKD-denominated. Notwithstanding, we are on track for another year of growth in 2010. “*

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

### **3Q 2010 Performance**

For the three months ended 30 September 2010 (3Q 2010), group revenue rose 22% to RM 54.7 million on continued strong demand for Riverstone's cleanroom and healthcare gloves. With a weaker US Dollar coupled with higher raw material prices, gross margin declined to 30% from 35% previously. Notwithstanding, gross profit edged up slightly by 3.6% to RM 16.2 million, from RM 15.7 million in 3Q 2009.

However, 3Q 2010 pretax profit declined 8% to RM 10.2 million due to foreign exchange losses on the back of a weaker USD. Net profit however, was unchanged at RM9.9 million due to lower taxes. Effective tax rate was lower compared to a year ago, due to the availability of higher reinvestment allowances. Earnings per share were 3.2 sen (3Q 2009: 3.2 sen).

### **9M 2010 Performance**

For the nine months ended 30 September 2010 (9M 2010), group revenue rose 49% to RM 161.5 million. Gross profit was up 52% from RM 32.0 million to RM 48.4 million, as gross margins expanded slightly from 29% to 30%. 9M 2010 pretax profit rose 60% to RM 32.9 million from RM 20.5 million, while net profit expanded 63% to RM30.1 million. Earnings per share were 9.7 sen (9M 2009: 6.0 sen).

### **Robust Financials**

Net operating cashflows for 9M 2010 were a healthy RM 42.2 million, up from RM 28.1 million for the same period in 2009. Even after investing RM30.1 million for its new plant in Taiping, Perak, the group's cash position remains very strong at RM 53.7 million and the group has very little borrowings. Net assets per share were 62.5 sen as at 30 September 2010, up from 55.4 sen as at 31 December 2009.

### **Outlook**

***“Looking at our backlog of orders, we are optimistic on our growth outlook. We have gained new customers in the semiconductor markets of Japan, Korea and the US, while still experiencing sustained demand from our regular customers. As for our premium healthcare gloves, we are experiencing strong sales growth on the back of rising demand for customized solutions.”***

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

Although volatile commodity prices and the weakening of the US currency will continue to be challenges, Riverstone remains optimistic of sustaining its credible performance in the coming quarters as it makes progress on its expansion plan.

***“Our capacity expansion is on schedule. We will add two double former lines in 4Q 2010 and end the year with an annual capacity of 1.8 billion pieces.”***

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

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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 1.4 billion gloves as at 30 September 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](http://www.riverstone.com.my)

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