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## MEDIA RELEASE

### Riverstone achieves FY 2011 revenue of RM272.7 million and net profit of RM38.6 million

*- proposes final dividend of 3.7 sen (RM) per share; full year payout more than 50% -*

RM million Y/E Dec	4Q 2011	4Q 2010	Chg	FY 2011	FY 2010	Chg
Revenue	71.8	60.0	+19.5%	272.7	221.5	+23.1%
Cost of goods sold	(56.3)	(44.1)	+27.7%	(211.1)	(157.2)	+34.3%
Gross Profit	15.5	16.0	(3.1%)	61.6	64.3	(4.2%)
Profit before tax	11.1	10.8	+1.9%	42.9	43.7	(1.8%)
Net Profit	8.9	10.3	(13.1%)	38.6	40.4	(4.4%)
EPS* – basic (sen)				12.19	12.98	
EPS <sup>#</sup> - fully diluted (sen)				11.74	12.04	

\*Based on weighted average of 316.8 million shares for FY2011 (FY2010: 311.2 million shares)

# Based on weighted average of 328.9 million shares for FY2011 assuming full exercise of outstanding warrants (FY2010:335.3 million shares)

**22 February 2012 –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 reported a 23.1% rise in group revenue to RM272.7 million for the twelve months ended 31 December 2011 (FY 2011). Net profit decreased 4.4% to RM38.6 million.

***“FY 2011 was another year of record revenues but the Group was affected by the sharp rise in nitrile prices, the weak USD, as well as the severe Thai floods in October. It was a challenging year but I am glad that we were still able to achieve steady earnings. The Board has proposed a final dividend of 3.7 sen (RM) per share, bringing the full year dividend to 5.9 sen (RM) per share or a dividend payout of more than 50%.”***

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

#### FY 2011 Performance

FY 2011 revenue was up 23.1% to RM272.7 million however, cost of sales spiked a higher 34.3%, due primarily to sharply higher nitrile prices during the year. Gross profit decreased 4.2% to RM61.6 million as a result of higher nitrile prices, the weakening USD and higher sales of the healthcare gloves, which provide lower margins than cleanroom gloves.

Group pretax profit dipped slightly by 1.8% to RM42.9 million. The Group's effective tax rate was higher due to the lower reinvestment allowances claimable by the Group. As a result, net profit decreased 4.4% to RM38.6 million.

#### **4Q 2011 Performance**

For the three months ended 31 December 2011 (4Q 2011), Group revenue rose 19.5% to RM71.8 million. The higher sales were largely achieved on the back of higher sales for healthcare gloves, which offset lower sales in cleanroom gloves resulting from the Thai floods. Cost of sales rose a higher 27.7% to RM56.3 million, due mainly to higher nitrile prices. Consequently, gross profit decreased marginally by 3.1% to RM15.5 million. Gross margin in 4Q 2011 was 21.6%, down from 26.6% a year ago. However, it has improved from the 20.6% achieved in 3Q 2011.

Group pretax profit was RM11.1 million in 4Q 2011 compared to RM10.8 million a year ago. Net profit after tax however decreased by a higher 13.1% to RM8.9 million as taxation charges was higher at RM2.1 million compared to just RM0.6 million a year ago due to lower reinvestment allowance claimable by the Group.

#### **Robust Financials**

Net cash flows from operations was a healthy RM41.4 million as the Group has some RM13.9 million in non-cash depreciation charges. Net cash flows used in investing activities was RM28.9 million, mainly for additional lines in the Taiping plant. Net cash flows used in financing activities was RM16.0 million mainly due to the dividend payment of RM18.8 million, which was partially offset by proceeds from conversion of warrants.

The Group maintains a strong balance sheet with cash and cash equivalents of RM41.6 million and nil borrowings. As at 31 December 2011, total shareholders' equity stood at RM224.0 million and NTA per share was 70.5 sen (RM) (based on 317.9 million shares issued as at end December 2011).

#### **Outlook**

The demand for healthcare nitrile gloves is expected to grow further but the Group also expects keen competition from other healthcare glove manufacturers. The Group will strive to remain competitive as a premium glove supplier through continuous innovation and customization. Demand for cleanroom gloves, especially from the electronics industry, is slowly recovering after the Thai floods. The Group expects growth in demand to resume only in 2H 2012 as the industry continues to face supply constraints and depletes existing inventory.

Phase II expansion of its Taiping plant has been completed, boosting the Group's current production capacity to 2.5 billion pieces per year. It is adding new lines in 2012 to increase production capacity further to meet its customers' demand. By the end of 2012, the Group expects capacity to increase further to 2.8 billion pieces per year.

Although the prices of nitrile and latex have declined in recent months, the weakening US dollar and keen competition in the healthcare sector will remain key challenges for the Group in FY 2012.

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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 2.3 billion gloves as at 31 December 2011. 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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