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## Riverstone's 3QFY2014 net profit grows 5.2% to RM16.5 million bolstered by higher gloves demand

- Revenue increased by 9.2% to RM102.7 million from RM94.0 million in 3QFY2013
- Production in Taiping, Malaysia currently on track, with ramp up to full capacity of 4.2 billion glove pieces expected by 4QFY2014
- Strong balance sheet with cash position of RM87.5 million and no borrowings

### Financial Highlights

<u>RM million (Y/E Dec)</u>	<u>3QFY2014</u>	<u>3QFY2013</u>	<u>Change (%)</u>
Revenue	102.7	94.0	▲9.2
Cost of Goods Sold	(76.2)	(67.7)	▲12.4
Gross Profit	26.5	26.2	▲0.9
Profit Before Tax	19.8	19.8	▼0.4
Net Profit	16.5	15.7	▲5.2
EPS* - basic (sen)	4.45	4.33	▲2.8
EPS# - fully diluted (sen)	4.45	4.33	▲2.8

\*Based on weighted average of 371.2 million shares (3QFY2013: 361.9 million shares)

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**SINGAPORE - 4 November 2014 – 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 reported a 9.2% year-on-year (“yoy”) growth in revenue to RM102.7 million while net profit increased 5.2% yoy to RM 16.5 million for the three months ended 30 September 2014 (“3QFY2014”).

“We are pleased to report that revenue and net profit is up for this quarter due to a growth in demand for our cleanroom and healthcare gloves. This is testament to our reputation as providers of quality and differentiated products and we will remain focused on creating value for our customers while growing our market share despite the competitive environment.”

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

### Income statement review

The Group reported a 9.2% yoy increase in revenue to RM102.7 million in 3QFY2014 bolstered by an increase in demand for cleanroom and healthcare gloves. Consequently, gross profit for the Group rose 0.9% yoy to RM26.5 million in 3QFY2014.

Other income increased by 10.8% yoy to RM0.4 million in 3QFY2014 mainly due to a utility rebate and increase in interest income from fixed deposits.

Selling and distribution expenses increased 9.2% yoy to RM2.6 million in 3QFY2014 due to an increase in sales activity. The Group's general and administrative expenses increased 2.0% yoy from RM4.5 million to RM4.6 million in 3QFY2014 mainly attributed to rising payroll costs. Other operating expenses for the Group decreased by 24.4% to RM 0.2 million in credit for 3QFY2014 mainly as a result of higher net foreign exchange gain and higher research and development expenses when compared to 3QFY2013.

As a result of the above, the Group's net profit grew 5.2% yoy to RM16.5 million in 3QFY2014.

### **Balance sheet review**

As at 30 September 2014, non-current assets increased to RM218.0 million due to acquisition of property, plant and equipment worth RM66.6 million along with foreign exchange adjustment of RM0.1 million offsetting a depreciation charge of RM13.9 million.

Trade receivables and inventories also increased from RM62.5 million to RM77.7 million and from RM35.7 million to RM40.5 million as at 30 September 2014 respectively attributed to higher sales and production volume.

Current liabilities also increased by 29.3% from RM44.9 million on 31 December 2013 to RM58.0 million as at 30 September 2014. This was mainly due to a higher payables and accruals from RM39.3 million on 31 December 2013 to RM52.7 million as at 30 September 2014 and a decrease in tax provision from RM5.3 million to RM4.4 million for the corresponding period.

### **Cash flow statement review**

The Group generated net cash flow from operating activities amounting to RM21.2 million and used RM24.3 million cash in investing activities for the purchase of property, plant and equipment as at 30 September 2014.

The Group remains debt-free with a net cash balance of RM87.5 million as at 30 September 2014.

### **Outlook**

On the Group's prospects, **Mr Wong** commented, "We are pleased to announce that the first phase of our expansion plans has progressed smoothly, and we expect to be at full capacity of 4.2 billion pieces of gloves by 31 December 2014.

We will continue to maintain our position as market leaders in the production of cleanroom gloves while making a name for ourselves in the ever growing healthcare gloves industry. At the same time, we remain cautious about industry challenges such as competition, commodity prices and fluctuations in the US currency."

-- The End --

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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 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 1,000 people throughout its five manufacturing facilities in Malaysia (3), Thailand (1) and China (1) with an annual production capacity of 3.1 billion gloves as at 31 December 2013. 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.my](http://www.riverstone.my))

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Issued for and on behalf of **Riverstone Holdings Limited** by

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