



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

### Cleanroom glove maker Riverstone's 1Q 2010 net profit jumps almost 6-fold to RM 10.5 million

RM million Y/E Dec	1Q FY10	1Q FY09	Chg
Revenue	52.8	25.8	+ 105%
Cost of goods sold	(36.3)	(20.8)	+75%
Gross Profit	16.5	5.0	+230%
Profit before tax	11.6	2.1	+452%
Net Profit	10.5	1.8	+475%
EPS * (sen)	3.39	0.58	
NTA per share* (sen)	58.0	55.4	

*\*Based on 309.5 million ordinary shares*

- Strong demand from semiconductor and healthcare customers drove revenue to record quarterly high
- Gross margins expanded from 19% to 31% due to greater production efficiency arising from the higher sales as well as higher productivity
- Annualised ROE of 24% vs 17% for 2009
- Net cash of RM 51 million
- The Group expects to achieve good results in the coming quarters due to positive outlook for demand of its products and continued expansion in capacity.

26 April 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 doubling in revenue to RM 52.8 million for the quarter ended 31 March 2010 (1Q 2010). Net profit was RM10.5 million almost 6X the RM 1.8 million achieved a year ago.

*"I am pleased to report that in 1Q 2010 Riverstone achieved the highest quarterly revenue ever as we continue to benefit from the strong demand from our customers in the semiconductor and healthcare sectors. Riverstone is uniquely positioned in the high-end glove manufacturing segment as we have a strong track record for R&D and innovation which allows us to offer highly customized products and solutions to our customers."*

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

1Q 2010 gross margin expanded from 19% to 31%, on the back of greater production efficiencies arising from the higher sales as well as better productivity. Consequently gross profit rose three-fold to RM 16.5 million from RM 5.0 million previously.

Other income rose from RM 0.1 million to RM 0.5 million, mainly due to a settlement received from a local utility company for disruptions caused to Riverstone's operations. Selling and distribution expenses increased 17% to RM 1.4 million due to higher handling and forward expenses. General and administrative expenses rose by 54% to RM2.8 million on the back of increased payroll costs while other operating expenses rose to RM 1.1 million as a result of net foreign exchange losses compared to net foreign exchange gains previously. Due to the repayment of borrowings, finance costs fell 52% to RM0.01 million.

1Q 2010 pretax profit rose 452% to RM 11.6 million. Due to a lower effective tax rate of 9.8% (1Q2009: 13.5%) resulting from higher reinvestment allowance and the higher profits of certain overseas subsidiaries enjoying tax concession status, net profit expanded a higher 475% to RM10.5 million. Earnings per share were 3.4 sen (1Q 2009: 0.6 sen). Annualised return on equity was a robust 24%, up from 17% for 2009.

### **Healthy Balance Sheet**

Cash and cash equivalents increased from RM 47.2 million as at 31 December 2009 to RM 51.3 million as at 31 March 2010. The Group generated RM12.7 million in operating cashflows, while it used RM6.6 million for its financing and investing activities.

As a result of the better financial performance, total shareholders' funds as at 31 March 2009 rose to RM 179.6 million, from RM 171.4 million as at end 2009. Total borrowings was RM 0.6 million. Net assets per share was 58.0 sen, up from 55.4 sen as at end 2009.

### **Outlook**

***“We expect to achieve good results in the coming quarters on the back of continued strong demand from customers in the semiconductor and healthcare sectors. Our expansion plan is also on track; capacity is expected to grow approximately 68% over the next 2 years, from 1.1 billion gloves currently to 1.85 billion gloves by end 2011.”***

***- 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. For the healthcare gloves, we expect the global consumption of gloves to continue to grow.

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

**-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. 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 1,000 people throughout its five manufacturing facilities in Malaysia (3), Thailand (1) and China (1) with an annual production capacity of 1.1 billion gloves as at 31 March 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)

**Media/IR Contact:**

**Juliet Ang, *NRA Capital Pte Ltd***

**Tel: (65) 6236 6895; (65) 9839 9016**

**Email: [juliet.ang@nracapital.com](mailto:juliet.ang@nracapital.com)**

**Hu Junli, *NRA Capital Pte Ltd***

**Tel: (65) 6236 6894; (65) 9826 5516**

**Email: [junli.hu@nracapital.com](mailto:junli.hu@nracapital.com)**