

Company Registration No. 200510666D

Riverstone Holdings Limited

Condensed Interim Consolidated Financial Statements
For the three months and full year ended 31 December 2023

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Riverstone Holdings Limited and Subsidiaries

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	3 months ended 31 December 2023 RM'000	3 months ended 31 December 2022 RM'000	12 months ended 31 December 2023 RM'000	12 months ended 31 December 2022 RM'000
Revenue	4	229,814	235,208	914,776	1,259,515
Cost of sales		(138,860)	(164,395)	(619,265)	(809,195)
Gross profit		90,954	70,813	295,511	450,320
Other income		7,745	7,721	31,171	25,120
Selling and distribution expenses		(4,497)	(4,716)	(15,425)	(19,671)
General and administrative expenses		(7,791)	(9,356)	(31,260)	(39,652)
Other operating (expenses)/ income		(1,804)	(6,261)	(613)	911
Operating profit		84,607	58,201	279,384	417,028
Finance costs		(17)	(4)	(34)	(23)
Profit before taxation	6	84,590	58,197	279,350	417,005
Income tax expense	7	(17,064)	(16,184)	(58,974)	(102,607)
Profit for the financial period		67,526	42,013	220,376	314,398
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation gain/ (loss)		4,765	(3,934)	23,265	6,445
Other comprehensive income for the financial period		4,765	(3,934)	23,265	6,445
Total comprehensive income for the financial period		72,291	38,079	243,641	320,843
Profit attributable to:					
Equity holders of the Company		67,527	42,016	220,377	314,399
Non-controlling interests		(1)	(3)	(1)	(1)
		67,526	42,013	220,376	314,398
Total comprehensive income attributable to:					
Equity holders of the Company		72,292	38,082	243,642	320,844
Non-controlling interests		(1)	(3)	(1)	(1)
		72,291	38,079	243,641	320,843
Earnings per share					
Basic (sen)		4.56	2.83	14.87	21.21
Diluted (sen)		4.56	2.83	14.87	21.21

(1) Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiaries

B. Condensed interim statements of financial position

		Group		Company	
	Note	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Non-current assets					
Property, plant and equipment	11	726,026	741,562	–	–
Investments in subsidiary companies		–	–	228,563	215,416
Deferred tax assets		1,101	1,230	–	–
		<u>727,127</u>	<u>742,792</u>	<u>228,563</u>	<u>215,416</u>
Current assets					
Inventories		83,183	82,368	–	–
Trade receivables		128,001	118,206	–	–
Other receivables		5,727	4,167	2,208	1,111
Prepayments		4,272	5,122	60	62
Derivatives	10	1,540	903	–	–
Tax recoverable		–	145	–	–
Fixed deposits		717,689	872,445	395,404	402,033
Cash at banks and in hand		157,744	193,616	9,338	8,113
		<u>1,098,156</u>	<u>1,276,972</u>	<u>407,010</u>	<u>411,319</u>
Total assets		<u>1,825,283</u>	<u>2,019,764</u>	<u>635,573</u>	<u>626,735</u>
Current liabilities					
Payables and accruals		71,525	84,875	490	438
Lease liabilities	12	543	–	–	–
Contract liabilities		628	1,502	–	–
Provision for taxation		11,940	19,735	2,240	248
		<u>84,636</u>	<u>106,112</u>	<u>2,730</u>	<u>686</u>
Net current assets		<u>1,013,520</u>	<u>1,170,860</u>	<u>404,280</u>	<u>410,633</u>
Non-current liabilities					
Lease liabilities	12	570	–	–	–
Employee benefit obligations		930	803	–	–
Deferred tax liabilities		57,583	59,920	–	–
		<u>59,083</u>	<u>60,723</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>143,719</u>	<u>166,835</u>	<u>2,730</u>	<u>686</u>
Net assets		<u>1,681,564</u>	<u>1,852,929</u>	<u>632,843</u>	<u>626,049</u>

Riverstone Holdings Limited and Subsidiaries

B. Condensed interim statements of financial position (cont'd)

		Group		Company	
	Note	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Equity attributable to owners of the Company					
Share capital	13	156,337	156,337	156,337	156,337
Treasury shares		(815)	(815)	(815)	(815)
Reserves		1,526,039	1,697,403	477,321	470,527
		<hr/>	<hr/>	<hr/>	<hr/>
		1,681,561	1,852,925	632,843	626,049
Non-controlling interests		3	4	–	–
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity		1,681,564	1,852,929	632,843	626,049
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity and liabilities		1,825,283	2,019,764	635,573	626,735

Riverstone Holdings Limited and Subsidiaries

C. Condensed interim statements of changes in equity

Group	Attributable to equity holders of the Company				Non-controlling interests RM'000	Total equity RM'000	
	Share capital (Note 13) RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves RM'000			Total reserves RM'000
2023							
Balance at 1 January 2023	156,337	(815)	1,729,668	(32,265)	1,697,403	4	1,852,929
Profit for the financial year	–	–	220,377	–	220,377	(1)	220,376
Other comprehensive income for the financial year	–	–	–	23,265	23,265	–	23,265
Total comprehensive income for financial year	–	–	220,377	23,265	243,642	(1)	243,641
Dividends (Note 8)	–	–	(415,006)	–	(415,006)	–	(415,006)
Balance at 31 December 2023	156,337	(815)	1,535,039	(9,000)	1,526,039	3	1,681,564
2022							
Balance at 1 January 2022	156,337	(815)	2,215,640	(38,710)	2,176,930	5	2,332,457
Profit for the financial period	–	–	314,399	–	314,399	(1)	314,398
Other comprehensive income for the financial year	–	–	–	6,445	6,445	–	6,445
Total comprehensive income for financial year	–	–	314,399	6,445	320,844	(1)	320,843
Dividends (Note 8)	–	–	(800,371)	–	(800,371)	–	(800,371)
Balance at 31 December 2022	156,337	(815)	1,729,668	(32,265)	1,697,403	4	1,852,929

Riverstone Holdings Limited and Subsidiaries

C. Condensed interim statements of changes in equity (cont'd)

Group	Attributable to equity holders of the Company					Non-controlling interests RM'000	Total equity RM'000
	Share capital (Note 13) RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves RM'000	Total reserves RM'000		
2023							
Balance at 1 October 2023	156,337	(815)	1,615,728	(13,765)	1,601,963	4	1,757,489
Profit for the financial period	–	–	67,527	–	67,527	(1)	67,526
Other comprehensive income for the financial period	–	–	–	4,765	4,765	–	4,765
Total comprehensive income for financial period	–	–	67,527	4,765	72,292	(1)	72,291
Dividends (Note 8)	–	–	(148,216)	–	(148,216)	–	(148,216)
Balance at 31 December 2023	156,337	(815)	1,535,039	(9,000)	1,526,039	3	1,681,564
2022							
Balance at 1 October 2022	156,337	(815)	1,924,799	(28,331)	1,896,468	7	2,051,997
Profit for the financial period	–	–	42,016	–	42,016	(3)	42,013
Other comprehensive income for the financial period	–	–	–	(3,934)	(3,934)	–	(3,934)
Total comprehensive income for financial period	–	–	42,016	(3,934)	38,082	(3)	38,079
Dividends (Note 8)	–	–	(237,147)	–	(237,147)	–	(237,147)
Balance at 31 December 2022	156,337	(815)	1,729,668	(32,265)	1,697,403	4	1,852,929

(1) Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiaries

C. Condensed interim statements of changes in equity (cont'd)

Company	Share capital (Note 13) RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves RM'000	Total reserves RM'000	Total equity RM'000
2023						
Balance at 1 January 2023	156,337	(815)	407,104	63,423	470,527	626,049
Profit for the financial year	–	–	389,223	–	389,223	389,223
Other comprehensive income for the financial year	–	–	–	32,578	32,578	32,578
Total comprehensive income for the financial year	–	–	389,223	32,578	421,801	421,801
Dividends (Note 8)	–	–	(415,006)	–	(415,006)	(415,006)
Balance at 31 December 2023	156,337	(815)	381,321	96,001	477,322	632,844
2022						
Balance at 1 January 2022	156,337	(815)	581,772	43,406	625,178	780,700
Profit for the financial year	–	–	625,703	–	625,703	625,703
Other comprehensive income for the financial year	–	–	–	20,017	20,017	20,017
Total comprehensive income for the financial year	–	–	625,703	20,017	645,720	645,720
Dividends (Note 8)	–	–	(800,371)	–	(800,371)	(800,371)
Balance at 31 December 2022	156,337	(815)	407,104	63,423	470,527	626,049

Riverstone Holdings Limited and Subsidiaries

C. Condensed interim statements of changes in equity (cont'd)

Company	Share capital (Note 13) RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves RM'000	Total reserves RM'000	Total equity RM'000
2023						
Balance at 1 October 2023	156,337	(815)	424,482	89,899	514,381	669,903
Profit for the financial period	–	–	105,055	–	105,055	105,055
Other comprehensive income for the financial period	–	–	–	6,102	6,102	6,102
Total comprehensive income for the financial period	–	–	105,055	6,102	111,157	111,157
Dividends (Note 8)	–	–	(148,216)	–	(148,216)	(148,216)
Balance at 31 December 2023	156,337	(815)	381,321	96,001	477,322	632,844
2022						
Balance at 1 October 2022	156,337	(815)	332,268	65,514	397,782	553,304
Profit for the financial period	–	–	311,983	–	311,983	311,983
Other comprehensive income for the financial period	–	–	–	(2,091)	(2,091)	(2,091)
Total comprehensive income for the financial period	–	–	311,983	(2,091)	309,892	309,892
Dividends (Note 8)	–	–	(237,147)	–	(237,147)	(237,147)
Balance at 31 December 2022	156,337	(815)	407,104	63,423	470,527	626,049

Riverstone Holdings Limited and Subsidiaries

D. Condensed interim consolidated statement of cash flows

	Group			
	3 months ended 31 December 2023 RM'000	3 months ended 31 December 2022 RM'000	12 months ended 31 December 2023 RM'000	12 months ended 31 December 2022 RM'000
Cash flows from operating activities				
Profit before taxation	84,590	58,197	279,350	417,005
Adjustments for:				
Depreciation of property, plant and equipment	15,328	19,604	60,429	62,878
Property, plant and equipment written off	579	718	633	743
(Gain)/ loss on disposal of property, plant and equipment	(10)	98	(95)	(45)
Fair value (gain)/ loss on derivatives	(2,780)	(5,336)	(793)	432
Interest expense	17	4	34	23
Interest income	(7,502)	(6,968)	(29,777)	(22,796)
Foreign exchange differences	(6,761)	(7,620)	(4,201)	(3,317)
Operating cash flows before working capital changes	83,461	58,697	305,580	454,923
(Increase)/ decrease in inventories	(8,428)	12,267	(815)	70,644
(Increase)/ decrease in receivables and prepayments	(538)	26,722	(10,505)	112,673
Increase in employee benefit obligations	63	97	127	272
Increase/ (decrease) in payables, accruals and contract liabilities	10,031	12,045	(6,189)	(53,473)
Cash flows generated from operations	84,589	109,828	288,198	585,039
Interest paid	(17)	(4)	(34)	(23)
Interest received	7,502	6,968	29,777	22,796
Income tax paid	(9,060)	(19,334)	(68,832)	(229,365)
Net cash flows generated from operating activities	83,014	97,458	249,109	378,447
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	12	94	253	259
Purchase of property, plant and equipment	(21,349)	(59,710)	(51,712)	(133,409)
Net cash flows used in investing activities	(21,337)	(59,616)	(51,459)	(133,150)
Cash flows from financing activities				
Repayment of borrowings	–	–	–	(1,000)
Payment of principal portion of lease liabilities	15	6	(556)	(578)
Dividends paid	(148,216)	(237,147)	(415,006)	(800,371)
Net cash flows used in financing activities	(148,201)	(237,141)	(415,562)	(801,949)

Riverstone Holdings Limited and Subsidiaries

C. Condensed interim consolidated statement of cash flows (cont'd)

	Group			
	3 months ended 31 December 2023	3 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Net decrease in cash and cash equivalents	(86,524)	(199,299)	(217,912)	(556,652)
Effect of foreign currency exchange rates	11,413	3,567	27,284	9,782
Cash and cash equivalents at beginning of financial period/ year	950,544	1,261,793	1,066,061	1,612,931
Cash and cash equivalents at end of the financial period/ year	875,433	1,066,061	875,433	1,066,061

Riverstone Holdings Limited and Subsidiaries

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Riverstone Holdings Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out as below:

Name of company (Country of incorporation)	Principal activities
(1) Riverstone Resources Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots
Riverstone Cleanroom Products Sdn Bhd Formerly known as Riverstone Industrial Products Sdn Bhd (Malaysia)	Manufacturer of plastic bags and trader in latex products
(2) Eco Medi Glove Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots
Eco Star Glove Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots
Protective Technology Co. Ltd (Thailand)	Manufacturer and distributor of cleanroom gloves
Riverstone Resources (S) Pte Ltd (Singapore)	Distributor of cleanroom products

(1) Subsidiary held by Riverstone Resources Sdn Bhd:

Name of company (Country of incorporation)	Principal activities
Riverstone Resources (Wuxi) Co. Ltd (People's Republic of China)	Processing and packing of cleanroom gloves

(2) Subsidiary held by Eco Medi Glove Sdn Bhd:

Name of company (Country of incorporation)	Principal activities
Eco Medi Glove Products (Shenzhen) Co. Ltd (People's Republic of China)	Distributor of cleanroom and medical glove products

E. Notes to the condensed interim consolidated financial statements

2. Basis of preparation

The condensed interim consolidated financial statements for the financial year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (“RM’000”), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

E. Notes to the condensed interim consolidated financial statements

4. Segment information

The management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas: Malaysia, Thailand and China. All geographic locations are engaged in the manufacture and sale of gloves and non-glove consumables such as finger cots, static shielding bags, face masks, wipers and packaging materials.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-segment pricing, if any, is determined on an arm's length basis. Segment revenue, expenses and results include transfers between segments. These transfers are eliminated on consolidation.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets which are expected to be used for more than one period.

(a) **Geographical information**

	Malaysia	Thailand	China	Others	Eliminations	Total
1 October 2023 to 31 December 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	202,473	10,889	11,910	4,542	–	229,814
Inter segment	22,392	20,104	1,175	107,224 ⁽¹⁾	(150,895)	–
Total revenue	224,865	30,993	13,085	111,766	(150,895)	229,814
Results:						
Segment result	60,189	17,370	609	110,685	(104,246)	84,607
Finance costs	–	–	(17)	–	–	(17)
Profit before taxation	60,189	17,370	592	110,685	(104,246)	84,590
Income tax expense	(12,296)	(2,935)	(134)	(5,300)	3,601	(17,064)
Total profit	47,893	14,435	458	105,385	(100,645)	67,526
Assets and liabilities:						
Segment assets	1,358,415	42,355	33,606	427,339	(36,432)	1,825,283
Segment liabilities	143,139	11,364	5,145	5,211	(21,140)	143,719
Other segment information:						
Additions to non-current assets	13,418	10	(24)	–	–	13,404

(1) Includes dividend income from subsidiaries.

Riverstone Holdings Limited and Subsidiaries

E. Notes to the condensed interim consolidated financial statements

4. Segment information (cont'd)

(a) Geographical information (cont'd)

1 October 2022 to 31 December 2022	Malaysia	Thailand	China	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	207,808	10,994	12,158	4,248	–	235,208
Inter segment	48,404	14,083	1,104	317,325 ⁽¹⁾	(380,916)	–
Total revenue	256,212	25,077	13,262	321,573	(380,916)	235,208
Results:						
Segment result	35,449	13,268	1,887	318,919	(311,322)	58,201
Finance costs	(1)	–	(3)	–	–	(4)
Profit before taxation	35,448	13,268	1,884	318,919	(311,322)	58,197
Income tax expense	(7,830)	(1,738)	(540)	(6,851)	775	(16,184)
Total profit	27,618	11,530	1,344	312,068	(310,547)	42,013
Assets and liabilities:						
Segment assets	1,540,077	55,925	49,508	427,808	(53,554)	2,019,764
Segment liabilities	180,639	9,110	6,045	3,438	(32,397)	166,835
Other segment information:						
Additions to non-current assets	40,517	6	–	1	–	40,524

(1) Includes dividend income from subsidiaries.

Riverstone Holdings Limited and Subsidiaries

E. Notes to the condensed interim consolidated financial statements

4. Segment information (cont'd)

(a) Geographical information (cont'd)

1 January 2023 to 31 December 2023	Malaysia	Thailand	China	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	809,938	43,908	42,620	18,310	–	914,776
Inter segment	118,186	61,158	3,562	387,236 ⁽¹⁾	(570,142)	–
Total revenue	928,124	105,066	46,182	405,546	(570,142)	914,776
Results:						
Segment result	220,631	58,419	3,128	401,903	(404,697)	279,384
Finance costs	–	–	(34)	–	–	(34)
Profit before taxation	220,631	58,419	3,094	401,903	(404,697)	279,350
Income tax expense	(44,902)	(9,074)	(756)	(9,489)	5,247	(58,974)
Total profit	175,729	49,345	2,338	392,414	(399,450)	220,376
Assets and liabilities:						
Segment assets	1,358,415	42,355	33,606	427,339	(36,432)	1,825,283
Segment liabilities	143,139	11,364	5,145	5,211	(21,140)	143,719
Other segment information:						
Additions to non-current assets	43,546	241	1,556	–	–	45,343

(1) Includes dividend income from subsidiaries.

E. Notes to the condensed interim consolidated financial statements

4. Segment information (cont'd)

(a) *Geographical information (cont'd)*

1 January 2022 to 31 December 2022	Malaysia	Thailand	China	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	1,117,460	60,490	53,213	28,352	–	1,259,515
Inter segment	247,960	57,361	4,965	633,902 ⁽¹⁾	(944,188)	–
Total revenue	1,365,420	117,851	58,178	662,254	(944,188)	1,259,515
Results:						
Segment result	358,958	69,644	10,556	638,588	(660,718)	417,028
Finance costs	(2)	–	(21)	–	–	(23)
Profit before taxation	358,956	69,644	10,535	638,588	(660,718)	417,005
Income tax expense	(78,191)	(10,233)	(2,832)	(8,481)	(2,870)	(102,607)
Total profit	280,765	59,411	7,703	630,107	(663,588)	314,398
Assets and liabilities:						
Segment assets	1,540,077	55,925	49,508	427,808	(53,554)	2,019,764
Segment liabilities	180,639	9,110	6,045	3,438	(32,397)	166,835
Other segment information:						
Additions to non-current assets	114,174	36	8	5	–	114,223

(1) Includes dividend income from subsidiaries.

(b) *Business information*

The Group predominantly manufactures and sells gloves. It is not meaningful to show the total assets employed and capital expenditure by business activities as the assets and liabilities are generally shared and not identifiable by business segments.

	Gloves	Others	Total
	RM'000	RM'000	RM'000
Revenue:			
Sales to external customers			
- 3 months ended 31 December 2023	226,301	3,513	229,814
- 3 months ended 31 December 2022	230,882	4,326	235,208
- 12 months ended 31 December 2023	899,506	15,270	914,776
- 12 months ended 31 December 2022	1,237,467	22,048	1,259,515

Riverstone Holdings Limited and Subsidiaries

E. Notes to the condensed interim consolidated financial statements

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 31 December 2022:

	Group		Company	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Financial assets:				
Financial assets at fair value through profit or loss (FVPL)	1,540	903	–	–
Cash and bank balances, fixed deposits, trade and other receivables (Amortised cost)	1,008,658	1,188,365	406,950	411,257
	<u>1,010,198</u>	<u>1,189,268</u>	<u>406,950</u>	<u>411,257</u>

	Group		Company	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Financial liabilities:				
Trade and other payables and lease liabilities (Amortised cost)	72,638	84,875	490	438
	<u>72,638</u>	<u>84,875</u>	<u>490</u>	<u>438</u>

Riverstone Holdings Limited and Subsidiaries

E. Notes to the condensed interim consolidated financial statements

6. Profit before taxation

6.1 Significant items

	Group			
	3 months ended 31 December 2023 RM'000	3 months ended 31 December 2022 RM'000	12 months ended 31 December 2023 RM'000	12 months ended 31 December 2022 RM'000
Income				
Interest income from bank balances	7,502	6,968	29,777	22,796
Expenses				
Interest expenses on borrowings	17	4	34	23
Depreciation of property, plant and equipment	15,328	19,604	60,429	62,878
Net foreign exchange loss/(gain) – net	3,086	9,688	(2,421)	(6,441)
Fair value (gain)/loss on derivatives	(2,780)	(5,336)	(793)	432
Property, plant and equipment written off	579	718	633	743
(Gain)/ loss on disposal of property, plant and equipment	(10)	98	(95)	(45)

6.2 Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and its related parties took place on terms agreed between the parties during the financial period.

	Group			
	3 months ended 31 December 2023 RM'000	3 months ended 31 December 2022 RM'000	12 months ended 31 December 2023 RM'000	12 months ended 31 December 2022 RM'000
Other related parties:				
Purchases of repair and maintenance services	–	22	29	141
Purchases of plant and equipment	–	32	7	88

Other related parties comprise companies in which the major shareholder is a close family member of certain directors of the Company.

Riverstone Holdings Limited and Subsidiaries

E. Notes to the condensed interim consolidated financial statements

6. Profit before taxation (cont'd)

6.2 Related party transactions (cont'd)

(b) Compensation of key management personnel

	Group			
	3 months ended 31 December 2023	3 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Directors' fee	192	182	751	705
Short term benefits	1,231	1,093	4,600	3,384
Central Provident Fund contributions	118	136	413	325
Performance incentive scheme	(669)	(2,008)	3,332	8,205
	872	(597)	9,095	12,619
Comprise amounts paid to:				
- Directors of the Company	84	(373)	5,757	8,888
- Other key management personnel	788	(224)	3,339	3,731
	872	(597)	9,096	12,619

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	3 months ended 31 December 2023	3 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Current income tax				
Current income tax expense	15,653	11,885	52,800	86,034
Under provision in respect of prior years	–	1,253	(171)	1,712
Withholding tax on foreign sourced income	2,546	5,731	8,546	9,953

Riverstone Holdings Limited and Subsidiaries

E. Notes to the condensed interim consolidated financial statements

7. Income tax expense (cont'd)

	Group			
	3 months ended 31 December 2023	3 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	RM'000	RM'000	RM'000	RM'000
<i>Deferred income tax</i>				
Deferred income tax expense relating to origination and reversal of temporary difference	2,211	(2,523)	3,656	2,031
Movements in undistributed foreign sourced dividend income	(2,891)	183	(5,402)	3,222
Over provision in respect of prior years	(455)	(345)	(455)	(345)
	17,064	16,184	58,974	102,607
	17,064	16,184	58,974	102,607

8. Dividends

	Group and Company	
	12 months ended 31 December 2023	12 months ended 31 December 2022
	RM'000	RM'000
<i>Declared and paid during the financial year</i>		
Special exempt (one-tier) dividend for 2022: 8.00 sen (2021: 10.00 sen) per ordinary share	118,574	148,216
Final exempt (one-tier) dividend for 2022: 10.00 sen (2021: 28.00 sen) per ordinary share	148,216	415,008
Interim exempt (one-tier) dividend for 2023: 10.00 sen (2022: 16.00 sen) per ordinary share	148,216	237,147
	415,006	800,371
	415,006	800,371
<i>Proposed but not recognized as a liability as at 31 December</i>		
Special interim exempt (one-tier) dividend for 2023: 5.00 sen (2022: 8.00 sen) per ordinary share	74,108	118,574
Final exempt (one-tier) dividend for 2023: 7.50 sen (2022: 10.00 sen) per ordinary share	111,162	148,216
	185,270	266,790
	185,270	266,790

Riverstone Holdings Limited and Subsidiaries

E. Notes to the condensed interim consolidated financial statements

9. Net asset value

	Group		Company	
	31 December 2023 RM	31 December 2022 RM	31 December 2023 RM	31 December 2022 RM
Net asset value per ordinary share	1.13	1.25	0.43	0.42

10. Fair value of financial instruments

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(a) *Asset and liability measured at fair value*

The following table shows an analysis of asset and liability measured at fair value by level at the respective reporting period:

	Group Significant observable inputs other than quoted prices (Level 2)	
	31 December 2023 RM'000	31 December 2022 RM'000
Financial assets:		
<u>Derivatives (Note 5)</u>		
- Forward currency contracts	1,540	903

E. Notes to the condensed interim consolidated financial statements

10. Fair value of financial instruments (cont'd)

(a) **Asset and liability measured at fair value (cont'd)**

Level 2 fair value

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward rate curves.

(b) **Fair value of financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value**

The carrying amounts of current trade and other receivables, cash and cash equivalents, payables and accruals and lease liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

11. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired assets amounting to RM45,343,000 (31 December 2022: RM114,223,000) and disposed of assets amounting to RM158,000 (31 December 2022: RM214,000).

12. Lease liabilities

	Group	
	31 December 2023 RM'000	31 December 2022 RM'000
Amount repayable within one year		
Lease liabilities	543	–
Amount repayable after one year		
Lease liabilities	570	–
Total lease liabilities	1,113	–

The lease liabilities are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subletting the leased assets.

Riverstone Holdings Limited and Subsidiaries

E. Notes to the condensed interim consolidated financial statements

13. Share capital

	Group and Company			
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	No. of shares	No. of shares	RM'000	RM'000
At 1 January	1,484,904,100	1,484,904,100	156,337	156,337
At 31 December	1,484,904,100	1,484,904,100	156,337	156,337

As at 31 December 2023, the Company held 2,736,000 of its issued shares as treasury shares (31 December 2022: 2,736,000).

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Riverstone Holdings Limited and subsidiary Companies as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three months period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2a Income Statement Review

For 4Q2023, the Group achieved RM229.8 million in total revenue, a 2.3% reduction as compared to RM235.2 million in 4Q2022. As for FY2023, the Group revenue decreased by 27.4% to RM914.8 million. At the same time, cost of sales have reduced to RM138.9 million in 4Q2023 and RM619.3 million in FY2023. The Group's gross profit however increased by 28.4% from RM70.8 million in 4Q2022 to RM91.0 million in 4Q2023. Group's gross profit margin improved from 30.1% to 39.6% due to lower cost of sales for the quarter. In FY2023, the gross profit reduced by 34.4% to RM295.5 million as a result of lower average selling price and volume.

The Group's other income increased by 0.3% to RM7.7 million in 4Q2023 and 24.1% to RM31.2 million in FY2023. These are mainly due to higher interest income from fixed deposits.

Selling and distribution expenses decreased by 4.6% and 21.6% in 4Q2023 and FY2023 respectively mainly due to lesser sales activities.

During 4Q2023 and FY2023, general and administrative expenses saw decline of 16.7% to RM7.8 million and 21.2% to RM31.3 million, respectively, primarily attributed to a reduction in performance incentives.

In 4Q2023 and FY2023, other operating expenses reduced by 71.2% to RM1.8 million and 167.3% to RM0.6 million respectively mainly due to lower net foreign exchange gain.

The Group's effective tax rate decrease to 21.1% in FY2023 as compared to 24.6% in FY2022 as there was a prosperity tax imposed on companies in Malaysia tax jurisdiction in 2022. In 4Q2023, income tax expense increased to RM17.1 million as a result of higher taxable income.

Overall for 4Q2023, the Group's profit before tax and profit after tax increased by 45.4% to RM84.6 million and 60.7% to RM67.5 million respectively. For FY2023, the Group achieved profit before tax of RM279.4 million and profit after tax of RM220.4 million.

OTHER INFORMATION

2. Review of performance of the Group (cont'd)

2b Balance Sheet Review

As at 31 December 2023, non-current assets which consist of property, plant and equipment (PPE) and deferred tax assets decreased to RM727.1 million from RM742.8 million. PPE decreased to RM726.0 million from RM741.6 million mainly on additions amounting to RM45.3 million coupled with foreign exchange adjustment offset by the depreciation charge of RM60.4 million and PPE written off or disposed. Deferred tax assets (DTA) has decreased to RM1.1 million.

As of 31 December 2023, inventories rose to RM83.2 million from RM82.4 million compared to 31 December 2022, primarily due to a slight increase in production volume. Similarly, trade receivables increased from RM118.2 million to RM128.0 million mainly due to slower collections.

Cash and cash equivalents decreased to RM875.4 million as at 31 December 2023 from RM1,066.1 million as at 31 December 2022. For the 4Q2023, the Group generated RM105.8 million of net cash flows from operating activities and net cash flows used in investing activities amounting to RM21.3 million were mainly for the purchase of PPE. The Group has net cash flows used in financing activities in 4Q2023 amounting to RM148.2 million for dividend payment.

Current liabilities decreased to RM84.6 million as at 31 December 2023 mainly due to lower payables and accruals. Payables and accruals reduced to RM71.5 million as at 31 December 2023 from RM84.9 million as at 31 December 2022.

Non-current liabilities reduced to RM59.1 million as at 31 December 2023 from RM60.7 million mainly due to the reversal of deferred tax liabilities.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The persistent oversupply of gloves remains an issue for the Group. Alongside price competition, currency fluctuations, unpredictable raw material prices, and rising production costs, the business faces challenges in its growth trajectory.

OTHER INFORMATION

5. Dividend information

5a Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Yes. The Board is pleased to recommend a one-tier tax exempt special interim dividend of 5.00 sen (RM) per ordinary share (2022: 8.00 sen) in respect of the year ended 31 December 2023 ("Special Interim Dividend").

A proposed final tax exempt (one-tier) dividend of 7.50 sen (RM) per ordinary shares for the financial year ended 31 December 2023 will be recommended for shareholders' approval at the forthcoming Annual General Meeting (AGM).

Recommended Special Interim Dividend

Name of Dividend	Special Interim Tax Exempt Dividend
Dividend Type	Cash
Dividend amount per Share (in sen)	5.00 sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

Proposed Final Dividend (subject to shareholders' approval at the forthcoming AGM)

Name of Dividend	Final Tax Exempt Dividend
Dividend Type	Cash
Dividend amount per Share (in sen)	7.50 sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

Dividend Paid

Name of Dividend	Interim Tax Exempt Dividend
Dividend Type	Cash
Dividend amount per Share (in sen)	10.00 sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

5b Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Special Interim Tax Exempt Dividend
Dividend Type	Cash
Dividend amount per Share (in sen)	8.00 sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

OTHER INFORMATION

5. Dividend information (cont'd)

5b Corresponding Period of the Immediate Preceding Financial Year (cont'd)

Name of Dividend	Final Tax Exempt Dividend
Dividend Type	Cash
Dividend amount per Share (in sen)	10.00 sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

5c Date Payable

To be determined

5d Book Closure Date

To be determined

6. Interested person transactions

The Company does not have an Interested Person Transactions mandate.

7. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Wong Teek Son	62	Brother of Mr Wong Teek Choon, who is the Group's Business Development Manager and substantial shareholder of the Company.	Current position Executive Chairman, Chief Executive Officer of the Group since 3 August 2005 Duties Responsible for developing and formulating the business strategies and manages the day-to-day operations of the Group	No changes in duties and position

Riverstone Holdings Limited and Subsidiaries

OTHER INFORMATION

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Wong Teck Choon	50	Brother of Mr Wong Teek Son, who is the Executive Chairman, Chief Executive Officer and substantial shareholder of the Company.	<p><u>Current position</u> Group's Business Development Manager</p> <p><u>Duties</u> Responsible for the production of cleanroom finger cots and exploring business development opportunities for the Group</p>	No changes in duties during the year. Mr Wong Teck Choon ceased as Alternate Director to Mr Wong Teek Son effective from 11 August 2020.
Mohamed Anuar Bin Idris	52	Husband to Puan Sabariah Binti Salleh, Alternate director to Mr Wong Teek Son.	<p><u>Current position</u> General Manager of Riverstone Resources Sdn Bhd, subsidiary of the Company.</p> <p><u>Duties</u> Responsible for the overall glove dipping operation and process improvement</p>	No changes in duties during the year.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 4.4 Rule 720(1) of the Listing Manual of the SGX-ST.

Riverstone Holdings Limited and Subsidiaries

OTHER INFORMATION

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors, I, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors which may render the condensed interim consolidated financial statements of the Group for the financial year ended 31 December 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

WONG TEEK SON
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
28 February 2023

This release may contain forward looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.