

Company Registration No. 200510666D

Riverstone Holdings Limited

Condensed Interim Consolidated Financial Statements
For the third quarter and nine months ended 30 September 2022

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Riverstone Holdings Limited and Subsidiary Companies

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

		3Q2022 1 Jul 2022	3Q2021 1 Jul 2021	9M2022 1 Jan 2022	9M2021 1 Jan 2021
	Note	to 30 Sep 2022 RM'000	to 30 Sep 2021 RM'000	to 30 Sep 2022 RM'000	to 30 Sep 2021 RM'000
Revenue	4	270,007	652,798	1,024,307	2,672,289
Cost of sales		(178,761)	(295,586)	(644,800)	(919,858)
Gross profit		91,246	357,212	379,507	1,752,431
Other income		6,422	5,796	17,399	11,807
Selling and distribution expenses		(4,345)	(6,817)	(14,955)	(22,397)
General and administrative expenses		(8,436)	(11,045)	(30,296)	(41,953)
Other operating income		2,982	5,100	7,172	9,838
Operating profit		87,869	350,246	358,827	1,709,726
Finance costs		(3)	(31)	(19)	(129)
Profit before taxation	6	87,866	350,215	358,808	1,709,597
Income tax expense	7	(24,414)	(83,772)	(86,423)	(402,423)
Profit for the financial period		63,452	266,443	272,385	1,307,174
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation gain/ (loss)		1,986	(4,708)	10,379	(1,591)
Other comprehensive income for the financial period		1,986	(4,708)	10,379	(1,591)
Total comprehensive income for the financial period		65,438	261,735	282,764	1,305,583
Profit attributable to:					
Equity holders of the Company		63,452	266,443	272,383	1,307,174
Non-controlling interests		– (1)	– (1)	2	– (1)
		63,452	266,443	272,385	1,307,174
Total comprehensive income attributable to:					
Equity holders of the Company		65,438	261,735	282,762	1,305,583
Non-controlling interests		– (1)	– (1)	2	– (1)
		65,438	261,735	282,764	1,305,583
Earnings per share					
Basic (sen)		4.28	17.97	18.38	88.19
Diluted (sen)		4.28	17.97	18.38	88.19

(1) Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiary Companies

B. Condensed interim statements of financial position

	Note	Group		Company	
		30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Non-current assets					
Property, plant and equipment	11	721,436	691,194	–	–
Investments in subsidiary companies		–	–	212,436	202,794
Deferred tax assets		1,286	823	–	–
		<u>722,722</u>	<u>692,017</u>	<u>212,436</u>	<u>202,794</u>
Current assets					
Inventories		94,635	153,012	–	–
Trade receivables		144,967	232,009	–	–
Other receivables		3,469	2,755	150,067	153,754
Prepayments		5,781	5,404	62	58
Derivatives	10	–	1,335	–	–
Tax recoverable		145	145	–	–
Fixed deposits		617,758	982,933	29,129	417,096
Cash at banks and in hand		644,035	629,998	162,015	7,334
		<u>1,510,790</u>	<u>2,007,591</u>	<u>341,273</u>	<u>578,242</u>
Total assets		<u>2,233,512</u>	<u>2,699,608</u>	<u>553,709</u>	<u>781,036</u>
Current liabilities					
Payables and accruals		93,518	152,849	378	305
Amount due to a subsidiary company		–	–	27	–
Borrowings	12	(3)	1,578	–	–
Contract liabilities		–	6,187	–	–
Derivatives	10	4,433	–	–	–
Provision for taxation		20,195	151,396	–	31
		<u>118,143</u>	<u>312,010</u>	<u>405</u>	<u>336</u>
Net current assets		<u>1,392,647</u>	<u>1,695,581</u>	<u>340,868</u>	<u>577,906</u>
Non-current liabilities					
Employee benefit obligations		706	531	–	–
Deferred tax liabilities		62,666	54,610	–	–
		<u>63,372</u>	<u>55,141</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>181,515</u>	<u>367,151</u>	<u>405</u>	<u>336</u>
Net assets		<u>2,051,997</u>	<u>2,332,457</u>	<u>553,304</u>	<u>780,700</u>

Riverstone Holdings Limited and Subsidiary Companies

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

	Note	Group		Company	
		30	31	30	31
		September 2022 RM'000	December 2021 RM'000	September 2022 RM'000	December 2021 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		1,896,468	2,176,930	397,782	625,178
		2,051,990	2,332,452	553,304	780,700
Non-controlling interests		7	5	–	–
Total equity		2,051,997	2,332,457	553,304	780,700
Total equity and liabilities		2,233,512	2,699,608	553,709	781,036

Riverstone Holdings Limited and Subsidiary Companies

C. Condensed interim statements of changes in equity

Group	Attributable to equity holders of the Company				Total reserves RM'000	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			
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	–	–	272,383	–	272,383	2	272,385
Other comprehensive income for the financial period	–	–	–	10,379	10,379	–	10,379
Total comprehensive income for financial period	–	–	272,383	10,379	282,762	2	282,764
Dividends (Note 8)	–	–	(563,224)	–	(563,224)	–	(563,224)
Balance at 30 September 2022	156,337	(815)	1,924,799	(28,331)	1,896,468	7	2,051,997
2021							
Balance at 1 January 2021	156,337	(815)	1,245,405	(42,835)	1,202,570	5	1,358,097
Profit for the financial period	–	–	1,307,174	–	1,307,174	– ⁽¹⁾	1,307,174
Other comprehensive income for the financial period	–	–	–	(1,591)	(1,591)	–	(1,591)
Total comprehensive income for financial period	–	–	1,307,174	(1,591)	1,305,583	– ⁽¹⁾	1,305,583
Dividends (Note 8)	–	–	(296,434)	–	(296,434)	– ⁽¹⁾	(296,434)
Transfer to statutory reserve	–	–	(2,440)	2,440	–	–	–
Balance at 30 September 2021	156,337	(815)	2,253,705	(41,986)	2,211,719	5	2,367,246

⁽¹⁾ Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiary Companies

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

Group	Attributable to equity holders of the Company				Total reserves RM'000	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			
2022							
Balance at 1 July 2022	156,337	(815)	1,861,347	(30,317)	1,831,030	7	1,986,559
Profit for the financial period	–	–	63,452	–	63,452	– ⁽¹⁾	63,452
Other comprehensive income for the financial period	–	–	–	1,986	1,986	–	1,986
Total comprehensive income for financial period	–	–	63,452	1,986	65,438	– ⁽¹⁾	65,438
Balance at 30 September 2022	156,337	(815)	1,924,799	(28,331)	1,896,468	7	2,051,997
2021							
Balance at 1 July 2021	156,337	(815)	1,987,890	(37,906)	1,949,984	5	2,105,511
Profit for the financial period	–	–	266,443	–	266,443	– ⁽¹⁾	266,443
Other comprehensive income for the financial period	–	–	–	(4,708)	(4,708)	–	(4,708)
Total comprehensive income for financial period	–	–	266,443	(4,708)	261,735	– ⁽¹⁾	261,735
Transfer to statutory reserve	–	–	(628)	628	–	–	–
Balance at 30 September 2021	156,337	(815)	2,253,705	(41,986)	2,211,719	5	2,367,246

⁽¹⁾ Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiary Companies

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
2022						
Balance at 1 January 2022	156,337	(815)	581,772	43,406	625,178	780,700
Profit for the financial period	–	–	313,720	–	313,720	313,720
Other comprehensive income for the financial period	–	–	–	22,108	22,108	22,108
Total comprehensive income for the financial period	–	–	313,720	22,108	335,828	335,828
Dividends (Note 8)	–	–	(563,224)	–	(563,224)	(563,224)
Balance at 30 September 2022	156,337	(815)	332,268	65,514	397,782	553,304
2021						
Balance at 1 January 2021	156,337	(815)	313,393	37,127	350,520	506,042
Profit for the financial period	–	–	334,668	–	334,668	334,668
Other comprehensive income for the financial period	–	–	–	3,953	3,953	3,953
Total comprehensive income for the financial period	–	–	334,668	3,953	338,621	338,621
Dividends (Note 8)	–	–	(296,434)	–	(296,434)	(296,434)
Balance at 30 September 2021	156,337	(815)	351,627	41,080	392,707	548,229

Riverstone Holdings Limited and Subsidiary Companies

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
2022						
Balance at 1 July 2022	156,337	(815)	167,275	56,894	224,169	379,691
Profit for the financial period	–	–	164,993	–	164,993	164,993
Other comprehensive income for the financial period	–	–	–	8,620	8,620	8,620
Total comprehensive income for the financial period	–	–	164,993	8,620	173,613	173,613
Balance at 30 September 2022	156,337	(815)	332,268	65,514	397,782	553,304
2021						
Balance at 1 July 2021	156,337	(815)	204,313	44,017	248,330	403,852
Profit for the financial period	–	–	147,314	–	147,314	147,314
Other comprehensive income for the financial period	–	–	–	(2,937)	(2,937)	(2,937)
Total comprehensive income for the financial period	–	–	147,314	(2,937)	144,377	144,377
Balance at 30 September 2021	156,337	(815)	351,627	41,080	392,707	548,229

Riverstone Holdings Limited and Subsidiary Companies

D. Condensed interim consolidated statement of cash flows

	Group			
	3Q2022 1 Jul 2022 to 30 Sep 2022 RM'000	3Q2021 1 Jul 2021 to 30 Sep 2021 RM'000	9M2022 1 Jan 2022 to 30 Sep 2022 RM'000	9M2021 1 Jan 2021 To 30 Sep 2021 RM'000
Cash flows from operating activities				
Profit before taxation	87,866	350,215	358,808	1,709,597
Adjustments for:				
Depreciation of property, plant and equipment	14,514	13,995	43,274	41,718
Property, plant and equipment written off	–	4	25	15
Gain on disposal of property, plant and equipment	(29)	(55)	(143)	(25)
Fair value loss/ (gain) on derivatives	730	(4,338)	5,768	1,161
Interest expense	3	31	19	129
Interest income	(6,084)	(5,336)	(15,828)	(10,563)
Operating cash flows before working capital changes	97,000	354,516	391,923	1,742,032
Decrease/ (increase) in inventories	21,606	45,775	58,377	(43,308)
Decrease/ (increase) in receivables and prepayments	40,592	118,121	85,951	(40,172)
Increase/ (decrease) in employee benefit obligations	49	(10)	175	1
Decrease in payables, accruals and contract liabilities	(14,233)	(48,472)	(65,518)	(32,565)
Cash flows generated from operations	145,014	469,930	470,908	1,625,988
Interest paid	(3)	(31)	(19)	(129)
Interest received	6,084	5,336	15,828	10,563
Income tax paid	(102,864)	(26,229)	(210,031)	(112,515)
Net cash flows generated from operating activities	48,231	449,006	276,686	1,523,907
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	29	54	165	121
Purchase of property, plant and equipment	(16,607)	(25,201)	(71,942)	(106,584)
Installments paid for purchase of land	–	–	(1,757)	–
Net cash flows used in investing activities	(16,578)	(25,147)	(73,534)	(106,463)
Cash flows from financing activities				
Repayment of borrowings	–	(1,500)	(1,000)	(4,500)
Payment of principal portion of lease liabilities	(297)	(284)	(584)	(547)
Dividends paid	–	–	(563,224)	(296,434)
Net cash flows used in financing activities	(297)	(1,784)	(564,808)	(301,481)

Riverstone Holdings Limited and Subsidiary Companies

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

	Group			
	3Q2022	3Q2021	9M2022	9M2021
	1 Jul 2022	1 Jul 2021	1 Jan 2022	1 Jan 2021
	to	to	to	To
	30 Sep	30 Sep	30 Sep	30 Sep
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net increase/ (decrease) in cash and cash equivalents	31,356	422,075	(361,656)	1,115,963
Effect of foreign currency exchange rates	2,145	(4,422)	10,518	(1,294)
Cash and cash equivalents at beginning of financial period	1,228,292	1,091,350	1,612,931	648,943
Cash and cash equivalents at end of the financial period	1,261,793	1,509,003	1,261,793	1,763,612

Riverstone Holdings Limited and Subsidiary Companies

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 nine months ended 30 September 2022 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 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 company 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 company 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

2. Basis of preparation

The condensed interim consolidated financial statements for the nine months ended 30 September 2022 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 2021.

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 January 2022 to 30 September 2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	909,652	49,496	41,055	24,104	–	1,024,307
Inter segment	199,556	43,278	3,861	316,577 ⁽¹⁾	(563,272)	–
Total revenue	1,109,208	92,774	44,916	340,681	(563,272)	1,024,307
Results:						
Segment result	323,509	56,376	8,669	319,669	(349,396)	358,827
Finance costs	(1)	–	(18)	–	–	(19)
Profit before taxation	323,508	56,376	8,651	319,669	(349,396)	358,808
Income tax expense	(70,361)	(8,495)	(2,292)	(1,630)	(3,645)	(86,423)
Total profit	253,147	47,881	6,359	318,039	(353,041)	272,385
Assets and liabilities:						
Segment assets	1,973,615	98,879	47,302	208,817	(95,101)	2,233,512
Segment liabilities	231,774	8,492	3,973	4,450	(67,174)	181,515
Other segment information:						
Additions to non-current assets	73,657	30	8	4	–	73,699

(1) Includes dividend income from subsidiaries.

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

4. Segment information (cont'd)

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

	Malaysia	Thailand	China	Others	Eliminations	Total
1 January 2021 to 30 September 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	2,505,167	63,191	72,539	31,392	–	2,672,289
Inter segment	257,058	41,311	8,419	336,576	(643,364)	–
Total revenue	2,762,225	104,502	80,958	367,968	(643,364)	2,672,289
Results:						
Segment result	1,631,226	49,134	28,544	340,933	(340,111)	1,709,726
Finance costs	(92)	–	(37)	–	–	(129)
Profit before taxation	1,631,134	49,134	28,507	340,933	(340,111)	1,709,597
Income tax expense	(383,448)	(7,138)	(7,139)	(1,554)	(3,144)	(402,423)
Total profit	1,247,686	41,996	21,368	339,379	(343,255)	1,307,174
Assets and liabilities:						
Segment assets	2,558,992	73,859	65,497	360,015	(108,864)	2,949,499
Segment liabilities	647,272	10,505	8,669	5,218	(89,411)	582,253
Other segment information:						
Additions to non-current assets	105,980	490	110	4	–	106,584

(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 RM'000	Others RM'000	Total RM'000
Revenue:			
Sales to external customers			
- 9 months ended 30 September 2022	1,006,585	17,722	1,024,307
- 9 months ended 30 September 2021	2,653,541	18,748	2,672,289

Riverstone Holdings Limited and Subsidiary Companies

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 30 September 2022 and 31 December 2021:

	Group		Company	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Financial Assets:				
Financial assets at fair value through profit or loss (FVPL)	–	1,335	–	–
Cash and bank balances, fixed deposits, trade and other receivables (Amortised cost)	1,410,112	1,847,393	341,211	578,184
	<u>1,410,112</u>	<u>1,848,728</u>	<u>341,211</u>	<u>578,184</u>

	Group		Company	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Financial Liabilities:				
Financial liabilities at fair value through profit or loss (FVPL)	4,433	–	–	–
Trade and other payables and borrowings (Amortised cost)	93,515	154,427	378	305
	<u>97,948</u>	<u>154,427</u>	<u>378</u>	<u>305</u>

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

6. Profit before taxation

6.1 Significant items

	Group	
	9 months ended 30 September 2022	9 months ended 30 September 2021
	RM'000	RM'000
Income		
Interest income from bank balances	15,828	10,563
Expenses		
Interest expenses on borrowings	19	129
Depreciation of property, plant and equipment	43,274	41,718
Net foreign exchange gain	(16,129)	(15,573)
Fair value loss on derivatives	5,768	1,161
Property, plant and equipment written off	25	15
Gain on disposal of property, plant and equipment	(143)	(25)

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	
	9 months ended 30 September 2022	9 months ended 30 September 2021
	RM'000	RM'000
Other related parties:		
Purchases of repair and maintenance services	119	18
Purchases of plant and equipment	56	873

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 Subsidiary Companies

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	
	9 months ended 30 September 2022 RM'000	9 months ended 30 September 2021 RM'000
Directors' fee	523	521
Short term benefits	2,291	2,327
Central Provident Fund contributions	189	206
Performance incentive scheme	10,213	23,546
	<hr/>	<hr/>
	13,216	26,600
	<hr/>	<hr/>
Comprise amounts paid to:		
- Directors of the Company	9,261	18,997
- Other key management personnel	3,955	7,603
	<hr/>	<hr/>
	13,216	26,600
	<hr/>	<hr/>

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	
	9 months ended 30 September 2022 RM'000	9 months ended 30 September 2021 RM'000
Current income tax expense	78,371	393,041
Deferred income tax expense relating to origination and reversal of temporary difference	8,052	9,382
	<hr/>	<hr/>
	86,423	402,423
	<hr/>	<hr/>

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

8. Dividends

	Group and Company	
	9 months ended 30 September 2022	9 months ended 30 September 2021
	RM'000	RM'000
Final exempt (one-tier) dividend for 2021: 28.00 sen (2020: 16.00 sen) per ordinary share	415,007	237,147
Special exempt (one-tier) dividend for 2021: 10.00 sen (2020: 4.00) per ordinary share	148,217	59,287
	563,224	296,434

9. Net asset value

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM	RM	RM	RM
Net asset value per ordinary share	1.38	1.57	0.37	0.53

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.

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

(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)	
	30 September 2022 RM'000	31 December 2021 RM'000
Financial assets:		
<u>Derivatives (Note 5)</u>		
- Forward currency contracts	-	1,335
Financial liabilities:		
<u>Derivatives (Note 5)</u>		
- Forward currency contracts	4,433	-

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 borrowings 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 nine months ended 30 September 2022, the Group acquired assets amounting to RM73,699,000 (30 September 2021: RM106,584,000) and disposed of assets amounting to RM22,000 (30 September 2021: RM96,000).

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

12. Borrowings

	Group	
	30 September 2022	31 December 2021
	RM'000	RM'000
Amount repayable within one year		
Secured term loan	–	1,000
Lease liabilities	(3)	578
Total borrowings	(3)	1,578

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

The bank borrowings are secured by a corporate guarantee of the Company and a charge over a piece of leasehold land and buildings.

13. Share capital

	Group and Company			
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	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
Shares issued during the year	–	–	–	–
At 30 September/ 31 December	1,484,904,100	1,484,904,100	156,337	156,337

As at 30 September 2022, the Company held 2,736,000 of its issued shares as treasury shares (31 December 2021: 2,736,000).

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2022 and 31 December 2021.

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Riverstone Holdings Limited and Subsidiary Companies as at 30 September 2022 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 nine 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 3Q2022, the Group achieved RM270.0 million in total revenue, a 58.6% reduction as compared to RM652.8 million in 3Q2021. As for 9M2022, the Group revenue decreased by 61.7% to RM1,024.3 million. Cost of sales at the same time reduced to RM178.8 million in 3Q2022 and RM644.8 million in 9M2022. The Group's gross profit reduced 74.5% from RM357.2 million in 3Q2021 to RM91.2 million in 3Q2022. Group's gross profit margin deteriorated from 54.7% to 33.8% due to lower average selling price for the quarter.

The Group's other income increased by 10.8% to RM6.4 million in 3Q2022 mainly due to higher interest income from fixed deposits.

Selling and distribution expenses decreased by 36.3% from RM6.8 million in 3Q2021 to RM4.3 million in 3Q2022 mainly due to lesser sales activities.

General and administrative expenses decreased by 23.6% to RM8.4 million in 3Q2022 mainly due to decrease in performance incentives.

Other operating income decreased to RM3.0 million in 3Q2022 was mainly due to lower net foreign exchange gain.

The Group's effective tax rate was higher at 27.8% in 3Q2022 compared to 23.9% in 3Q2021 due to provision of prosperity tax for Companies in Malaysia tax jurisdiction. Income tax expenses decreased to RM24.4 million in 3Q2022 as a result of lower taxable income.

Overall for the 3Q2022, the Group's profit before tax reduced by 74.9% to RM87.9 million and profit after tax decreased by 76.2% to RM63.5 million when compared to 3Q2021.

2b Balance Sheet Review

As at 30 September 2022, non-current assets which consist of property, plant and equipment (PPE) and deferred tax assets increased to RM722.7 million from RM692.0 million. PPE increased to RM721.4 million from RM691.2 million mainly on additions amounting to RM73.7 million coupled with foreign exchange adjustment offset by the depreciation charge of RM43.3 million and PPE written or disposed off. Deferred tax assets (DTA) has increased to RM1.3 million.

Inventories reduced to RM94.6 million as at 30 September 2022 from RM153.0 million as at 31 December 2021 mainly due to lower production volume. Trade receivables decreased from RM232.0 million to RM145.0 million mainly due to better collection.

OTHER INFORMATION

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

2b Balance Sheet Review (cont'd)

Cash and cash equivalents decreased to RM1,261.8 million as at 30 September 2022 from RM1,612.9 million as at 31 December 2021. For the 3Q2022, the Group generated RM48.2 million in net cash flows from operating activities and net cash flows used in investing activities amounting to RM16.6 million were mainly for the purchase of PPE. The Group has net cash flows used in financing activities in 3Q2022 amounting to RM0.3 million for the payment of principal portion of lease liabilities.

Current liabilities decreased to RM118.1 million as at 30 September 2022 mainly due to lower provision for taxation of RM20.2 million as at 30 September 2022. Payables and accruals fall to RM93.5 million as at 30 September 2022 from RM152.8 million as at 31 December 2021.

Non-current liabilities increased to RM63.4 million as at 30 September 2022 from RM55.1 million mainly due to the increase in 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 Group continues with the Phase 7 expansion plan that add an additional capacity of up to 1.5 billion pieces of gloves by end of 2022. By then, the Group's total annual production capacity will be up to 12.0 billion pieces of gloves.

Macroeconomic headwinds such as price competition, US Dollar fluctuations, volatile raw material prices and increase in overall production costs continue to remain challenging for the Group.

5. Dividend information

5a Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per Share (in sen)	6.00 sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

Yes. The Board is pleased to declare a one-tier tax exempt second interim dividend of 6.00 sen (RM) per ordinary share (2021: NIL) in respect of the nine months period ended 30 September 2022.

Riverstone Holdings Limited and Subsidiary Companies

OTHER INFORMATION

5. Dividend information (cont'd)

5b Corresponding Period of the Immediate Preceding Financial Year

None

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. 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.

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 nine months period ended 30 September 2022 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
9 November 2022

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.