

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

The Company was incorporated on 3 August 2005 and listed on the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 November 2006.

1 (a) (i) An income statement and statement of comprehensive income, (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	Group			Group		
	3Q2015	3Q2014		9M2015	9M2014	
	1 Jul 2015 to 30 Sep 2015	1 Jul 2014 to 30 Sep 2014	Increase / (decrease)	1 Jan 2015 to 30 Sep 2015	1 Jan 2014 to 30 Sep 2014	Increase / (decrease)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	150,589	102,660	46.7%	406,732	287,346	41.5%
Cost of sales	(102,581)	(76,173)	34.7%	(279,787)	(208,072)	34.5%
Gross profit	48,008	26,487	81.3%	126,945	79,274	60.1%
Other income	432	360	20.0%	1,098	1,802	(39.1%)
Selling and distribution expenses	(4,056)	(2,646)	53.3%	(10,362)	(7,489)	38.4%
General and administrative expenses	(8,121)	(4,605)	76.4%	(19,351)	(13,087)	47.9%
Other operating expenses	3,824 #	155 #	N/M	6,815 #	(1,807) #	N/M
Finance costs	-	-	N/M	-	-	N/M
Profit before taxation	40,087	19,751	103.0%	105,145	58,693	79.1%
Income tax expense	(4,759)	(3,243)	46.7%	(15,820)	(10,113)	56.4%
Profit after taxation	35,328	16,508	114.0%	89,325	48,580	83.9%
Profit attributable to:						
Equity holders of the Company	35,328	16,508	114.0%	89,324	48,580	83.9%
Non-controlling interests	- *	- *	N/M	1	- *	N/M
	35,328	16,508		89,325	48,580	

Consolidated Statement of Comprehensive Income

	Group			Group		
	3Q2015	3Q2014		9M2015	9M2014	
	1 Jul 2015 to 30 Sep 2015	1 Jul 2014 to 30 Sep 2014	Increase / (decrease)	1 Jan 2015 to 30 Sep 2015	1 Jan 2014 to 30 Sep 2014	Increase / (decrease)
	RM'000	RM'000	%	RM'000	RM'000	%
Profit after taxation	35,328	16,508	114.0%	89,325	48,580	83.9%
Other comprehensive expense:						
Foreign currency translation gain	8,029	1,294	N/M	12,174	168	N/M
Total comprehensive income	43,357	17,802	143.6%	101,499	48,748	108.2%
Total comprehensive income attributable to:						
Equity holders of the Company	43,357	17,802	143.6%	101,498	48,748	108.2%
Non-controlling interests	- *	- *	N/M	1	- *	N/M
	43,357	17,802		101,499	48,748	

1 (a) (ii) The net profit attributable to shareholders includes the following (charges)/credits:

	Group			Group		
	3Q2015	3Q2014		9M2015	9M2014	
	1 Jul 2015 to 30 Sep 2015	1 Jul 2014 to 30 Sep 2014	Increase / (decrease)	1 Jan 2015 to 30 Sep 2015	1 Jan 2014 to 30 Sep 2014	Increase / (decrease)
	RM'000	RM'000	%	RM'000	RM'000	%
Depreciation of property, plant and equipment	(6,162)	(4,683)	31.6%	(18,102)	(13,935)	29.9%
Net foreign exchange gain	17,290 #	3,556 #	N/M	20,686 #	1,425 #	N/M
Property, plant and equipment written off	(26)	(1)	N/M	(44)	(8)	N/M
Gain/ (loss) on disposal of property, plant and equipment	84	(8)	N/M	(77)	47	N/M
Fair value loss on derivatives	(12,465) #	(2,454) #	N/M	(11,067) #	(620) #	N/M
Research and development expenses	(682)	(610)	11.8%	(1,788)	(1,875)	(4.6%)
Interest income from bank balances	168	4	N/M	452	532	(15.0%)

N/M Not Meaningful

* Denote amount less than RM500

The net foreign exchange gain and fair value loss on derivatives have been included in other operating expenses

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1 (b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30.09.15	As at 31.12.14	As at 30.09.15	As at 31.12.14
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	256,016	227,587	-	-
Investments in subsidiary companies	-	-	204,730	173,605
Deferred tax asset	5,469	3,110	-	-
	<u>261,485</u>	<u>230,697</u>	<u>204,730</u>	<u>173,605</u>
Current assets				
Inventories	60,021	42,117	-	-
Trade receivables	111,561	86,713	-	-
Other receivables	4,112	1,466	-	-
Prepayments	1,645	341	62	19
Fixed deposits	66,697	44,446	11,759	19,755
Cash at banks and in hand	69,757	34,986	6,023	2,765
	<u>313,793</u>	<u>210,069</u>	<u>17,844</u>	<u>22,539</u>
Current liabilities				
Payables and accruals	81,190	50,441	262	196
Amount due to a subsidiary company	-	-	197	65
Derivatives	13,446	2,362	-	-
Provision for taxation	11,269	3,316	1	2
	<u>105,905</u>	<u>56,119</u>	<u>460</u>	<u>263</u>
Net current assets	<u>207,888</u>	<u>153,950</u>	<u>17,384</u>	<u>22,276</u>
Non-current liabilities				
Deferred tax liabilities	13,182	13,095	-	-
	<u>13,182</u>	<u>13,095</u>	<u>-</u>	<u>-</u>
Net assets	<u>456,191</u>	<u>371,552</u>	<u>222,114</u>	<u>195,881</u>
Equity attributable to equity holders of the Company				
Share capital	156,337	156,337	156,337	156,337
Treasury shares	(815)	(815)	(815)	(815)
Reserves	300,664	216,026	66,592	40,359
	<u>456,186</u>	<u>371,548</u>	<u>222,114</u>	<u>195,881</u>
Non-controlling interests	<u>5</u>	<u>4</u>	<u>-</u>	<u>-</u>
Total equity	<u>456,191</u>	<u>371,552</u>	<u>222,114</u>	<u>195,881</u>

1 (b) (ii) Aggregate amount of group's borrowings and debt securities

Not applicable

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1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	3Q2015	3Q2014	9M2015	9M2014
	1 Jul 2015 to 30 Sep 2015	1 Jul 2014 to 30 Sep 2014	1 Jan 2015 to 30 Sep 2015	1 Jan 2014 to 30 Sep 2014
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	40,087	19,751	105,145	58,693
Adjustments for:				
Depreciation of property, plant and equipment	6,162	4,683	18,102	13,935
Property, plant and equipment written off	26	1	44	8
(Gain)/ loss on disposal of property, plant and equipment	(84)	8	77	(47)
Fair value loss on derivatives	12,465	2,454	11,067	620
Interest income	(168)	(4)	(452)	(532)
Operating cash flows before working capital changes	<u>58,488</u>	<u>26,893</u>	<u>133,983</u>	<u>72,677</u>
(Increase)/ decrease in inventories	(3,162)	2,500	(17,904)	(4,855)
Increase in receivables and prepayments	(12,225)	(10,176)	(28,798)	(14,993)
Increase in payables and accruals	<u>15,429</u>	<u>7,617</u>	<u>30,766</u>	<u>13,420</u>
Cash flows from operation:	<u>58,530</u>	<u>26,834</u>	<u>118,047</u>	<u>66,249</u>
Income tax paid	(3,989)	(5,611)	(10,139)	(10,714)
Interest received	<u>168</u>	<u>4</u>	<u>452</u>	<u>532</u>
Net cash flows from operating activities	<u>54,709</u>	<u>21,227</u>	<u>108,360</u>	<u>56,067</u>
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	85	48	101	155
Purchase of property, plant and equipment	<u>(20,646)</u>	<u>(24,367)</u>	<u>(44,145)</u>	<u>(66,589)</u>
Net cash flows used in investing activities	<u>(20,561)</u>	<u>(24,319)</u>	<u>(44,044)</u>	<u>(66,434)</u>
Cash flows from financing activities				
Government grant received	-	500	-	500
Dividends paid	<u>-</u>	<u>-</u>	<u>(16,860)</u>	<u>(16,674)</u>
Net cash flows from/ (used in) financing activities	<u>-</u>	<u>500</u>	<u>(16,860)</u>	<u>(16,174)</u>
Net increase/ (decrease) in cash and cash equivalents	<u>34,148</u>	<u>(2,592)</u>	<u>47,456</u>	<u>(26,541)</u>
Effect of foreign currency exchange rates	6,392	916	9,566	48
Cash and cash equivalents at beginning of period	<u>95,914</u>	<u>89,187</u>	<u>79,432</u>	<u>114,004</u>
Cash and cash equivalents at end of period	<u>136,454</u>	<u>87,511</u>	<u>136,454</u>	<u>87,511</u>
Cash and cash equivalents comprise the followings at end of the financial period				
Fixed deposits	66,697	38,942	66,697	38,942
Cash at banks and in hand	<u>69,757</u>	<u>48,569</u>	<u>69,757</u>	<u>48,569</u>
Cash and cash equivalent at end of the financial period	<u>136,454</u>	<u>87,511</u>	<u>136,454</u>	<u>87,511</u>

1 (d) (i)

A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding year of the immediately preceding financial year.

	Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Other Reserves RM'000	Total Reserves RM'000	Non- controlling Interests RM'000	Total Equity RM'000
GROUP							
9M2014							
Balance at 1 January 2014	156,337	(815)	218,155	(51,022)	167,133	4	322,659
Total comprehensive income for the period	-	-	48,580	168	48,748	- *	48,748
Payment of FY2013 final dividend	-	-	(16,674)	-	(16,674)	-	(16,674)
Balance at 30 September 2014	156,337	(815)	250,061	(50,854)	199,207	4	354,733
9M2015							
Balance at 1 January 2015	156,337	(815)	263,725	(47,699)	216,026	4	371,552
Total comprehensive income for the period	-	-	89,324	12,174	101,498	1	101,499
Payment of FY2014 final dividend	-	-	(16,860)	-	(16,860)	-	(16,860)
Balance at 30 September 2015	156,337	(815)	336,189	(35,525)	300,664	5	456,191
3Q2014							
Balance at 1 July 2014	156,337	(815)	233,553	(52,148)	181,405	4	336,931
Total comprehensive income for the period	-	-	16,508	1,294	17,802	- *	17,802
Balance at 30 September 2014	156,337	(815)	250,061	(50,854)	199,207	4	354,733
3Q2015							
Balance at 1 July 2015	156,337	(815)	300,861	(43,554)	257,307	5	412,834
Total comprehensive income for the period	-	-	35,328	8,029	43,357	- *	43,357
Balance at 30 September 2015	156,337	(815)	336,189	(35,525)	300,664	5	456,191

* Denote amount less than RM500

COMPANY**9M2014****Balance at 1 January 2014**

Total comprehensive income for the period

Payment of FY2013 final dividend

Balance at 30 September 2014**9M2015****Balance at 1 January 2015**

Total comprehensive income for the period

Payment of FY2014 final dividend

Balance at 30 September 2015**3Q2014****Balance at 1 July 2014**

Total comprehensive income for the period

Balance at 30 September 2014**3Q2015****Balance at 1 July 2015**

Total comprehensive income for the period

Balance at 30 September 2015

Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Other Reserves RM'000	Total Reserves RM'000	Total Equity RM'000
156,337	(815)	19,401	15,694	35,095	190,617
-	-	8,022	(1,690)	6,332	6,332
-	-	(16,674)	-	(16,674)	(16,674)
156,337	(815)	10,749	14,004	24,753	180,275
156,337	(815)	21,001	19,358	40,359	195,881
-	-	9,520	33,573	43,093	43,093
-	-	(16,860)	-	(16,860)	(16,860)
156,337	(815)	13,661	52,931	66,592	222,114
156,337	(815)	11,067	13,968	25,035	180,557
-	-	(318)	36	(282)	(282)
156,337	(815)	10,749	14,004	24,753	180,275
156,337	(815)	13,996	30,877	44,873	200,395
-	-	(335)	22,054	21,719	21,719
156,337	(815)	13,661	52,931	66,592	222,114

1 (d) (ii)

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current period reported on and as at the end of the corresponding year of the immediately preceeding financial year.

Share capital	Number of shares	Share Capital RM'000
Issued and fully paid up:		
As at 31 December 2014	<u>371,226,025</u>	<u>156,337</u>
As at 30 September 2015	<u>371,226,025</u>	<u>156,337</u>

As at 30 September 2015, the Company held 684,000 of its issued shares as treasury shares (31 December 2014: 684,000).

Other than the above mentioned, the Company does not have any outstanding share convertibles at the end of the financial period under review.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30.09.15	As at 31.12.14
Total number of issued shares	371,226,025	371,226,025
Less: Treasury shares	<u>(684,000)</u>	<u>(684,000)</u>
Total number of issued shares excluding treasury shares	<u>370,542,025</u>	<u>370,542,025</u>

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/ or use of treasury shares during the current financial period reported on.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as explained in note 5, the Group and the Company have applied the same accounting policies and method of computation applied in the financial statements for the current reporting period as those adopted in the most recently audited consolidated financial statements for the financial year ended 31 December 2014.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new and revised FRSs is assessed to have no material impact to the results of the Group and the Company for the financial year ended 31 December 2014.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

		Group	
		3Q2015	3Q2014
Earnings per share ("EPS") in sen (RM)			
a)	Basic	9.52	4.45
b)	On a fully diluted basis	9.52	4.45

Earnings per share for the third quarter ended 30 September 2015 is calculated based on profit from ordinary activities after taxation of RM35.3 million divided by weighted average of 371.2 million number of ordinary shares in issue. As for comparative, earnings per share for the third quarter ended 30 September 2014 is calculated based on profit attributable to shareholders of RM16.5 million divided by weighted average of 371.2 million number of ordinary shares in issue.

As there were no share options and other potential issuance granted, the basic and fully diluted earnings per share are the same.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	As at 30.09.15	As at 31.12.14	As at 30.09.15	As at 31.12.14
Net asset per share in sen (RM)	123.11	100.27	59.94	52.86

The Group and Company net asset backing per ordinary share as at 30 September 2015 and 31 December 2014 are calculated based on 370.5 million ordinary shares in issue excluding treasury shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
 - a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

a) INCOME STATEMENT REVIEW

For the 3Q2015, the Group recorded RM40.1 million and RM35.3 million of profit before taxation and profit after tax representing 103.0% and 114.0% growth respectively when compared to 3Q2014. This was achieved on the back of an increase in total revenue by 46.7% from RM102.7 million in 3Q2014 to RM150.6 million in 3Q2015. The revenue growth is mainly due to the higher gloves demand. The Group's gross profit increased by 81.3% to RM48.0 million in 3Q2015 from RM26.5 million in 3Q2014. This was mainly due to the Group's improved operational processes with higher levels of automation as well as from the strengthening US dollar against Malaysian Ringgit and stable raw material prices.

Year on year (YOY) comparison, the Group's other income increased by 20.0% to RM0.4 million in 3Q2015 mainly due to increase in interest income from fixed deposits in 3Q2015.

Selling and distribution expenses increased by RM1.4 million or 53.3% from RM2.7 million in 3Q2014 to RM4.1 million in 3Q2015 due to the increase in sales activities.

YOY comparison for general and administrative expenses increased by RM3.5 million or 76.4% mainly due to increase in payroll cost.

The Group registered net credit in other operating expenses of RM3.7 million due to a net foreign exchange gain, offset by a fair value loss on derivatives and research and development expenses.

The Group's effective tax rate was lower when compared to 3Q2014 mainly due to higher tax incentives claimable by the Group.

b) BALANCE SHEET REVIEW

As at 30 September 2015, property, plant and equipment (PPE) increased to RM256.0 million from RM227.6 million mainly due to acquisition of PPE of RM44.1 million coupled with foreign exchange adjustment of RM2.6 million and offset by the depreciation charge and PPE written off/ disposal of RM18.1 million and RM0.2 million respectively.

Deferred tax asset as at 30 September 2015 increased to RM5.5 million mainly due to the availability of reinvestment allowances.

Trade receivables and inventories increased from RM86.7 million to RM111.6 million and from RM42.1 million to RM60.0 million as at 30 September 2015 respectively mainly due to increase in sales and higher production volume.

Cash and cash equivalents increased from RM79.4 million as at 31 December 2014 to RM136.5 million as at 30 September 2015. For the 3Q2015, the Group generated RM54.7 million in net cash flows from operating activities and net cash flows used in investing activities amounted to RM20.6 million were for the purchase of property, plant and equipment. The Group has no net cash flows used in financing activities in 3Q2015.

Current liabilities increased from RM56.1 million as at 31 December 2014 to RM105.9 million as at 30 September 2015. The increases were due to higher payables and accruals from RM50.4 million as at 31 December 2014 to RM81.2 million as at 30 September 2015, increased in derivatives to RM13.4 million as at 30 September 2015 and the increase in provision of taxation from RM3.3 million as at 31 December 2014 to RM11.3 million as at 30 September 2015.

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

Not applicable

10. 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.

Our Group's phase II expansion plan in Taiping, Perak, Malaysia has progressed well. By the end of 4Q2015, our Group will have a total annual production capacity of 5.2 billion gloves.

The movement in commodity prices, the US currency fluctuation and competition from the other glove manufacturers remain as challenges for the Group.

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11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None

(b) Corresponding period of the immediately preceding financial year

None

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the third quarter ended 30 September 2015.

13. If the group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have an Interested Person Transactions mandate.

14. Statement by Directors

Pursuant to SGX Listing Rule 705(5)

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of Riverstone Holdings Limited for the third quarter ended 30 September 2015 presented in this announcement to be false or misleading in any material respect.

BY ORDER OF THE BOARD

WONG TEEK SON
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

05 November 2015

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.