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**UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017**


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**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**

	<b>Group</b>		<b>Increase / (decrease)</b>
	<b>1Q2017</b>	<b>1Q2016</b>	
	<b>1 Jan 2017 to 31 Mar 2017</b>	<b>1 Jan 2016 to 31 Mar 2016</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Revenue</b>	<b>205,713</b>	<b>148,146</b>	38.9%
Cost of sales	(153,937)	(105,027)	46.6%
<b>Gross profit</b>	<b>51,776</b>	<b>43,119</b>	20.1%
Other income	546	349	56.4%
Selling and distribution expenses	(3,800)	(3,542)	7.3%
General and administrative expenses	(6,915)	(5,279)	31.0%
Other operating expenses	(2,223) #	(2,966) #	(25.1%)
Finance costs	(178)	-	N/M
<b>Profit before taxation</b>	<b>39,206</b>	<b>31,681</b>	23.8%
Income tax expense	(5,575)	(4,502)	23.8%
<b>Profit after taxation</b>	<b>33,631</b>	<b>27,179</b>	23.7%
<b>Profit attributable to:</b>			
Equity holders of the Company	33,631	27,179	23.7%
Non-controlling interests	-	-	N/M
	<b>33,631</b>	<b>27,179</b>	

**Consolidated Statement of Comprehensive Income**

	<b>Group</b>		<b>Increase / (decrease)</b>
	<b>1Q2017</b>	<b>1Q2016</b>	
	<b>1 Jan 2017 to 31 Mar 2017</b>	<b>1 Jan 2016 to 31 Mar 2016</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Profit after taxation</b>	<b>33,631</b>	<b>27,179</b>	23.7%
<b>Other comprehensive income:</b>			
Foreign currency translation gain/ (loss)	2,112	(6,296)	(133.5%)
<b>Total comprehensive income</b>	<b>35,743</b>	<b>20,883</b>	71.2%
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	35,743	20,883	71.2%
Non-controlling interests	-	-	N/M
	<b>35,743</b>	<b>20,883</b>	

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

	<b>Group</b>		<b>Increase / (decrease)</b>
	<b>1Q2017</b>	<b>1Q2016</b>	
	<b>1 Jan 2017 to 31 Mar 2017</b>	<b>1 Jan 2016 to 31 Mar 2016</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Depreciation of property, plant and equipment	(8,232)	(6,953)	18.4%
Net foreign exchange loss	(5,669) #	(6,505) #	(12.9%)
Trade receivables recovered	3	-	N/M
Property, plant and equipment written off	(6)	(13)	(53.8%)
(Loss)/ gain on disposal of property, plant and equipment	(61)	131	(146.6%)
Fair value gain on derivatives	4,608 #	4,416 #	4.3%
Research and development expenses	(827)	(633)	30.6%
Interest income from bank balances	426	215	98.1%
Interest on bank borrowings	(178)	-	N/M

N/M Not Meaningful

\* Denote amount less than RM500

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

RIVERSTONE HOLDINGS LIMITED

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 31.03.17	As at 31.12.16	As at 31.03.17	As at 31.12.16
	RM'000	RM'000	RM'000	RM'000
<b>Non-current assets</b>				
Property, plant and equipment	351,271	336,662	-	-
Investments in subsidiary companies	-	-	207,861	203,581
Deferred tax asset	8,654	8,521	-	-
	<u>359,925</u>	<u>345,183</u>	<u>207,861</u>	<u>203,581</u>
<b>Current assets</b>				
Inventories	81,823	66,978	-	-
Trade receivables	130,371	140,329	-	-
Other receivables	7,321	9,238	-	-
Prepayments	2,089	1,710	62	27
Tax recoverable	973	973	-	-
Derivatives	269	-	-	-
Fixed deposits	62,209	43,983	38,708	37,835
Cash at banks and in hand	90,040	59,212	4,232	4,610
	<u>375,095</u>	<u>322,423</u>	<u>43,002</u>	<u>42,472</u>
<b>Current liabilities</b>				
Payables and accruals	95,213	90,505	228	306
Amount due to a subsidiary company	-	-	54	-
Bank borrowings (secured)	6,000	-	-	-
Derivatives	-	4,635	-	-
Provision for taxation	7,109	5,287	6	6
	<u>108,322</u>	<u>100,427</u>	<u>288</u>	<u>312</u>
<b>Net current assets</b>	<u>266,773</u>	<u>221,996</u>	<u>42,714</u>	<u>42,160</u>
<b>Non-current liabilities</b>				
Bank borrowings (secured)	23,500	-	-	-
Deferred tax liabilities	12,947	12,671	-	-
	<u>36,447</u>	<u>12,671</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>	<u>590,251</u>	<u>554,508</u>	<u>250,575</u>	<u>245,741</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	156,337	156,337	156,337	156,337
Treasury shares	(815)	(815)	(815)	(815)
Reserves	434,724	398,981	95,053	90,219
	<u>590,246</u>	<u>554,503</u>	<u>250,575</u>	<u>245,741</u>
<b>Non-controlling interests</b>	5	5	-	-
<b>Total equity</b>	<u>590,251</u>	<u>554,508</u>	<u>250,575</u>	<u>245,741</u>

\* Denote amount less than RM500

**RIVERSTONE HOLDINGS LIMITED**

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

	<b>Group</b>	
	<b>As at 31.03.17</b>	<b>As at 31.12.16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amount repayable in one year or less, or on demand</b>		
Bank borrowings (secured)	6,000	-
	<u>6,000</u>	<u>-</u>
<b>Amount repayable after one year</b>		
Bank borrowings (secured)	23,500	-
	<u>23,500</u>	<u>-</u>

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

**RIVERSTONE HOLDINGS LIMITED**

**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.**

	<b>Group</b>	
	<b>1Q2017</b> 1 Jan 2017 to 31 Mar 2017	<b>1Q2016</b> 1 Jan 2016 to 31 Mar 2016
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>39,206</b>	<b>31,681</b>
Adjustments for:		
Depreciation of property, plant and equipment	8,232	6,953
Property, plant and equipment written off	6	13
Loss/ (gain) on disposal of property, plant and equipment	61	(131)
Fair value gain on derivatives	(4,608)	(4,416)
Allowance for doubtful debts	-	-
Trade receivables written off	-	-
Interest expense	178	-
Interest income	(426)	(215)
Operating cash flows before working capital changes	<u>42,649</u>	<u>33,885</u>
Increase in inventories	(14,845)	(4,086)
Decrease in receivables and prepayments	11,200	11,449
Increase/ (decrease) in payables and accruals	4,708	(23,517)
Cash flows from operations	<u>43,712</u>	<u>17,731</u>
Income tax paid	(3,610)	(4,688)
Interest paid	(178)	-
Interest received	426	215
Net cash flows from operating activities	<u><b>40,350</b></u>	<u><b>13,258</b></u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	659	461
Purchase of property, plant and equipment	(23,219)	(11,133)
Installments paid for purchase of land	-	(2,293)
Net cash flows used in investing activities	<u><b>(22,560)</b></u>	<u><b>(12,965)</b></u>
<b>Cash flows from financing activities</b>		
Proceeds from term loans	30,000	-
Repayment of bank borrowings	(500)	-
Net cash flows from financing activities	<u><b>29,500</b></u>	<u>-</u>
Net increase in cash and cash equivalents	47,290	293
Effect of foreign currency exchange rates	1,764	(5,170)
Cash and cash equivalents at beginning of period	103,195	128,682
Cash and cash equivalents at end of period	<u><b>152,249</b></u>	<u><b>123,805</b></u>
<b>Cash and cash equivalents comprise the followings at end of the financial period</b>		
Fixed deposits	62,209	64,742
Cash at banks and in hand	90,040	59,063
Cash and cash equivalent at end of the financial period	<u><b>152,249</b></u>	<u><b>123,805</b></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.

<u>GROUP</u>	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
<b>1Q2016</b>							
<b>Balance at 1 January 2016</b>	156,337	(815)	364,519	(38,541)	325,978	5	481,505
Total comprehensive income for the period	-	-	27,179	(6,296)	20,883	- *	20,883
<b>Balance at 31 March 2016</b>	156,337	(815)	391,698	(44,837)	346,861	5	502,388
<b>1Q2017</b>							
<b>Balance at 1 January 2017</b>	156,337	(815)	436,331	(37,350)	398,981	5	554,508
Total comprehensive income for the period	-	-	33,631	2,112	35,743	- *	35,743
<b>Balance at 31 March 2017</b>	156,337	(815)	469,962	(35,238)	434,724	5	590,251

\* Denote amount less than RM500

COMPANY

	Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Other Reserves RM'000	Total Reserves RM'000	Total Equity RM'000
<b>1Q2016</b>						
<b>Balance at 1 January 2016</b>	156,337	(815)	41,267	46,647	87,914	243,436
Total comprehensive income for the period	-	-	(382)	(10,679)	(11,061)	(11,061)
<b>Balance at 31 March 2016</b>	156,337	(815)	40,885	35,968	76,853	232,375
<b>1Q2017</b>						
<b>Balance at 1 January 2017</b>	156,337	(815)	40,553	49,666	90,219	245,741
Total comprehensive income for the period	-	-	(330)	5,164	4,834	4,834
<b>Balance at 31 March 2017</b>	156,337	(815)	40,223	54,830	95,053	250,575

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 preceding financial year.

Share capital	Number of shares	Share Capital RM'000
Issued and fully paid up:		
As at 31 December 2016	<u>742,452,050</u>	<u>156,337</u>
As at 31 March 2017	<u>742,452,050</u>	<u>156,337</u>

As at 31 March 2017, the Company held 1,368,000 of its issued shares as treasury shares (31 December 2016: 1,368,000).

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.

Total number of issued shares	As at	As at
Less: Treasury shares	<b>31.03.17</b>	<b>31.12.16</b>
Total number of issued shares excluding treasury shares	<u>742,452,050</u>	<u>742,452,050</u>
	<u>(1,368,000)</u>	<u>(1,368,000)</u>
	<u>741,084,050</u>	<u>741,084,050</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.

**RIVERSTONE HOLDINGS LIMITED**

**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 2016.

**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 2017.

**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:-**

		<b>Group</b>	
		<b>1Q2017</b>	<b>1Q2016</b>
Earnings per share ("EPS") in sen (RM)			
a)	Basic	4.54	3.67
b)	On a fully diluted basis	4.54	3.67

Earnings per share for the first quarter ended 31 March 2017 is calculated based on profit from ordinary activities after taxation of RM33.6 million divided by weighted average of 741.1 million number of ordinary shares in issue. As for comparative, earnings per share for the first quarter ended 31 March 2016 is calculated based on profit from ordinary activities after taxation of RM27.2 million divided by weighted average of 741.1 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.

	<b>Group</b>		<b>Company</b>	
	<b>As at 31.03.17</b>	<b>As at 31.12.16</b>	<b>As at 31.03.17</b>	<b>As at 31.12.16</b>
Net asset per share in sen (RM)	79.65	74.82	33.81	33.16

The Group and Company net asset backing per ordinary share as at 31 March 2017 and 31 December 2016 are calculated based on 741.1 million ordinary shares in issue excluding treasury shares.

## RIVERSTONE HOLDINGS LIMITED

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 1Q2017, the Group achieved RM205.7 million in total revenue, a 38.9% increase as compared to RM148.1 million in 1Q2016. With the increase in total revenue, the cost of sales had increased to RM153.9 million in 1Q2017. The Group's gross profit rose 20.1% from RM43.1 million in 1Q2016 to RM51.8 million in 1Q2017. The Group's gross profit margin came down from 29.1% to 25.2% due to higher production costs especially in raw material.

The Group's other income increased by 56.4% to RM0.5 million in 1Q2017 mainly due to higher interest income.

Selling and distribution expenses increased by RM0.3 million or 7.3% from RM3.5 million in 1Q2016 to RM3.8 million in 1Q2017 due to the increase in sales activities.

General and administrative expenses increased by 31.0% year-on-year (yoy) to RM6.9 million in 1Q2017 mainly due to increase in payroll cost.

Other operating expenses has a reduction of 25.1%, from RM3.0 million to RM2.2 million in 1Q2017 mainly due to the reduction in net foreign exchange loss and fair value gain in derivatives offset by the increase in research and development expenses.

The Group's effective tax rate was 14.2% due mainly to availability of investment and tax allowances. Income tax expenses increased to RM5.6 million as a result of higher taxable income.

Overall for the 1Q2017, the Group's profit before tax increased by 23.8 % to RM39.2 million and profit after tax increased by 23.7% to RM33.6 million when compared to 1Q2016.

### b) BALANCE SHEET REVIEW

As at 31 March 2017, non-current assets which consist of Property, plant and equipment (PPE) and deferred tax asset, increased to RM359.9 million from RM345.2 million. PPE increased to RM351.3 million from RM336.7 million mainly on acquisition amounted to RM23.2 million coupled with foreign exchange adjustment of RM0.3 million offset by the depreciation charge and PPE written off/ disposal of RM8.2 million and RM0.7 million respectively. The deferred tax asset increased to RM8.7 million mainly due to the availability of investment and tax allowances.

Inventories increased from RM67.0 million to RM81.8 million as at 31 March 2017 mainly due to stock up of raw material stocks in anticipation of raw material price increases. Trade receivables reduced by RM10.0 million as a result of better collection. Other receivables reduced to RM7.3 million as at 31 March 2017 from RM9.2 million mainly due to refunds of Goods and services tax. On the other hand, Prepayments increased from RM1.7 million to RM2.1 million as at 31 March 2017 mainly due to prepayment of Malaysian government levy for foreign workers.

Cash and cash equivalents increased to RM152.2 million as at 31 March 2017 from RM123.8 million as at 31 December 2016. For the 1Q2017, the Group generated RM40.4 million in net cash flows from operating activities and net cash flows used in investing activities amounting to RM22.6 million were mainly for the purchase of PPE. The Group has drawn down on a term loan amounting to RM30.0 million to finance the expansion plans.

Current liabilities increased to RM108.3 million as at 31 March 2017 from RM100.4 million as at 31 December 2016. This was mainly due to an increase in payables and accruals from RM90.5 million as at 31 December 2016 to RM95.2 million as at 31 March 2017 coupled with bank borrowings of RM6.0 million and offset by a reduction of derivatives. Provision for taxation was RM7.1 million as at 31 March 2017, increased from RM5.3 million as at 31 December 2016.

Non-current liabilities increased to RM36.4 million as at 31 March 2017 from RM12.7 million due to bank borrowings of RM23.5 million and higher deferred tax liabilities.

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

Not applicable



## RIVERSTONE HOLDINGS LIMITED

**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.**

Phase 4 expansion plan is progressively being carry out in Taiping, Perak, Malaysia. By the end of December 2017, our Group will have a total annual production capacity of 7.2 billion gloves.

In view of the uptick in demand for its gloves, the Group will be increasing its production capacity as Phase 5 by 1.4 billion pieces of gloves and the total annual production capacity to 8.6 billion gloves by the end of 2018. In addition, the Group has plans to add another 1.4 billion pieces of gloves by the end of 2019 as Phase 6, giving the Group a total annual production capacity of 10.0 billion pieces of gloves. Further details will be announced in due course.

The volatility in raw material prices, increase in overall production costs and competition from the other glove manufacturers remain challenging for the Group.

**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 first quarter ended 31 March 2017.

**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 first quarter ended 31 March 2017 presented in this announcement to be false or misleading in any material respect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under SGX Listing Rule 720(1)**

The Company has procured undertakings from all its directors and executive officers.

**BY ORDER OF THE BOARD**

WONG TEEK SON  
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

04 May 2017

## **RIVERSTONE HOLDINGS LIMITED**

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.