
UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2014

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		Increase / (decrease)
	1Q2014	1Q2013	
	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	
	RM'000	RM'000	%
Revenue	87,835	80,786	8.7%
Cost of sales	(60,918)	(60,035)	1.5%
Gross profit	26,917	20,751	29.7%
Other income	618	686	(9.9%)
Selling and distribution expenses	(2,107)	(2,063)	2.1%
General and administrative expenses	(4,546)	(3,869)	17.5%
Other operating expenses	(931) #	(950) #	(2.0%)
Profit before taxation	19,951	14,555	37.1%
Income tax expense	(3,934)	(2,709)	45.2%
Profit after taxation	16,017	11,846	35.2%
Profit attributable to:			
Equity holders of the Company	16,017	11,846	35.2%
Non-controlling interests	-	-	N/M
	16,017	11,846	

Consolidated Statement of Comprehensive Income

	Group		Increase / (decrease)
	1Q2014	1Q2013	
	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	
	RM'000	RM'000	%
Profit after taxation	16,017	11,846	35.2%
Other comprehensive expense:			
Foreign currency translation (loss)/ gain	(91)	1,827	(105.0%)
Total comprehensive income	15,926	13,673	16.5%
Total comprehensive income attributable to:			
Equity holders of the Company	15,926	13,673	16.5%
Non-controlling interests	-	-	N/M
	15,926	13,673	

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

	Group		Increase / (decrease)
	1Q2014	1Q2013	
	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	
	RM'000	RM'000	%
Depreciation of property, plant and equipment	(4,620)	(4,718)	(2.1%)
Net foreign exchange gain/ (loss)	(1,294) #	449 #	(388.2%)
Property, plant and equipment written off	(1)	(2)	(50.0%)
Gain/ (loss) on disposal of property, plant and equipment	64	(1)	N/M
Fair value gain/ (loss) on derivatives	1,074 #	(433) #	(348.0%)
Research and development expenses	(550)	(689)	(20.2%)
Interest income from bank balances	302	89	239.3%

N/M Not Meaningful

* Denote amount less than RM500

The net foreign exchange gain/ (loss) and fair value gain/(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 31.03.14	As at 31.12.13	As at 31.03.14	As at 31.12.13
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	163,542	153,384	-	-
Other asset	12,421	12,421	-	-
Investments in subsidiary companies	-	-	170,178	170,284
	<u>175,963</u>	<u>165,805</u>	<u>170,178</u>	<u>170,284</u>
Current assets				
Inventories	43,567	35,667	-	-
Trade receivables	60,433	62,531	-	-
Other receivables	1,528	1,594	1	8
Prepayments	1,170	589	93	28
Tax recoverable	317	317	-	-
Derivatives	766	-	-	-
Fixed deposits	49,994	56,950	-	18,901
Cash at banks and in hand	58,893	57,054	20,197	1,620
	<u>216,668</u>	<u>214,702</u>	<u>20,291</u>	<u>20,557</u>
Current liabilities				
Payables and accruals	34,430	39,276	201	218
Amount due to a subsidiary company	-	-	91	2
Derivatives	-	308	-	-
Provision for taxation	6,623	5,271	3	4
	<u>41,053</u>	<u>44,855</u>	<u>295</u>	<u>224</u>
Net current assets	<u>175,615</u>	<u>169,847</u>	<u>19,996</u>	<u>20,333</u>
Non-current liabilities				
Deferred tax liabilities	12,993	12,993	-	-
	<u>12,993</u>	<u>12,993</u>	<u>-</u>	<u>-</u>
Net assets	<u>338,585</u>	<u>322,659</u>	<u>190,174</u>	<u>190,617</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	183,059	167,133	34,652	35,095
	<u>338,581</u>	<u>322,655</u>	<u>190,174</u>	<u>190,617</u>
Non-controlling interests	4	4	-	-
Total equity	<u>338,585</u>	<u>322,659</u>	<u>190,174</u>	<u>190,617</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	
	1Q2014	1Q2013
	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	19,951	14,555
Adjustments for:		
Depreciation of property, plant and equipment	4,620	4,718
Property, plant and equipment written off	1	2
(Gain)/ loss on disposal of property, plant and equipment	(64)	1
Fair value (gain)/ loss on derivatives	(1,074)	433
Interest income	(302)	(89)
Operating cash flows before working capital changes	23,132	19,620
Increase in inventories	(7,900)	(4,715)
Decrease in receivables and prepayments	1,583	917
Decrease in payables and accruals	(4,846)	(6,467)
Cash flows from operations	11,969	9,355
Income tax paid	(2,582)	(473)
Interest received	302	89
Net cash flows from operating activities	9,689	8,971
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	98	2
Purchase of property, plant and equipment	(14,796)	(785)
Net cash flows used in investing activities	(14,698)	(783)
Cash flows from financing activities		
Net proceeds from warrants conversion	-	19,259
Net cash flows from financing activities	-	19,259
Net (decrease)/ increase in cash and cash equivalents	(5,009)	27,447
Effect of foreign currency exchange rates	(108)	1,123
Cash and cash equivalents at beginning of period	114,004	63,987
Cash and cash equivalents at end of period	108,887	92,557
Cash and cash equivalents comprise the followings at end of the financial period		
Fixed deposits	49,994	58,740
Cash at banks and in hand	58,893	33,817
Cash and cash equivalent at end of the financial period	108,887	92,557

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							
1Q2013							
Balance at 1 January 2013	123,846	(97)	182,744	(51,860)	130,884	4	254,637
Total comprehensive income for the period	-	-	11,846	1,827	13,673	- *	13,673
Issuance of ordinary shares upon the exercise of warrants	20,159	-	-	(900)	(900)	-	19,259
Balance at 31 March 2013	144,005	(97)	194,590	(50,933)	143,657	4	287,569
1Q2014							
Balance at 1 January 2014	156,337	(815)	218,155	(51,022)	167,133	4	322,659
Total comprehensive income for the period	-	-	16,017	(91)	15,926	- *	15,926
Balance at 31 March 2014	156,337	(815)	234,172	(51,113)	183,059	4	338,585

* Denote amount less than RM500

	Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Other Reserves RM'000	Total Reserves RM'000	Total Equity RM'000
COMPANY						
1Q2013						
Balance at 1 January 2013	123,846	(97)	16,608	10,803	27,411	151,160
Total comprehensive income for the period	-	-	(307)	(796)	(1,103)	(1,103)
Issuance of ordinary shares upon the exercise of warrants	20,159	-	-	(900)	(900)	19,259
Balance at 31 March 2013	144,005	(97)	16,301	9,107	25,408	169,316
1Q2014						
Balance at 1 January 2014	156,337	(815)	19,401	15,694	35,095	190,617
Total comprehensive income for the period	-	-	(326)	(117)	(443)	(443)
Balance at 31 March 2014	156,337	(815)	19,075	15,577	34,652	190,174

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 2013	<u>371,226,025</u>	<u>156,337</u>
As at 31 March 2014	<u>371,226,025</u>	<u>156,337</u>

As at 31 March 2014, the Company held 684,000 of its issued shares as treasury shares (31 December 2013: 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 31.03.14	As at 31.12.13
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 2013.

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	
	1Q2014	1Q2013
Earnings per share ("EPS") in sen (RM)		
a) Basic	4.31	3.37
b) On a fully diluted basis	4.31	3.31

Earnings per share for the first quarter ended 31 March 2014 is calculated based on profit from ordinary activities after taxation of RM16.0 million divided by weighted average of 371.2 million number of ordinary shares in issue. As for comparative, earnings per share for the first quarter ended 31 March 2013 is calculated based on profit attributable to shareholders of RM11.8 million divided by weighted average of 352.0 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 for the first quarter ended 31 March 2014 are the same. For the corresponding period ended 31 March 2013, the fully diluted earnings per share is calculated based on the weighted average number of 357.8 million ordinary shares after adjustments for the dilutive effects assuming the full exercise of warrants outstanding during the year and after adjusting the weighted average number of shares in issue during the year.

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 31.03.14	As at 31.12.13	As at 31.03.14	As at 31.12.13
Net asset per share in sen (RM)	91.38	87.08	51.32	51.44

The Group and Company net asset backing per ordinary share as at 31 March 2014 and 31 December 2013 are calculated based on 370.5 million and 370.5 million ordinary shares in issue excluding treasury shares respectively.

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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 1Q2014, the profit before tax and profit after tax rose by 37.1% and 35.2% to RM20.0 million and RM16.0 million respectively when compared to 1Q2013. This was achieved on the back of an increase in total revenue by 8.7% from RM80.8 million in 1Q2013 to RM87.8 million in 1Q2014. The revenue growth is mainly due to the higher gloves demand. The Group's gross profit increased by 29.7% to RM26.9 million in 1Q2014 from RM20.8 million in 1Q2013 mainly due to favourable raw material prices.

The Group's other income decreased by 9.9% mainly due to a utility rebate and compensation from a contractor for late completion of contract in 1Q2013 and the increase in interest income from fixed deposits in 1Q2014.

Selling and distribution expenses increased by 2.1% to RM2.1 million in 1Q2014 due to the increase in sales activities.

General and administrative expenses increased by RM0.7 million or 17.5% from RM3.9 million in 1Q2013 to RM4.6 million in 1Q2014 mainly due to increase in payroll cost.

Other operating expenses decreased by 2.0% mainly as a result of net foreign exchange loss in 1Q2014 when compared to net foreign exchange gain in 1Q2013 and lower research and development expenses in 1Q2014.

The Group's effective tax rate was higher when compared to 1Q2013 mainly due to lower tax incentives claimable by the Group.

b) BALANCE SHEET REVIEW

As at 31 March 2014, non-current assets increased to RM176.0 million from RM165.8 million mainly due to acquisition of property, plant and equipment of RM14.8 million coupled with foreign exchange adjustment and offset by the depreciation charge of RM4.6 million.

Inventories increased by RM7.9 million to RM43.6 million from RM35.7 million as at 31 March 2014 mainly due to certain deliveries were moved to the next quarter. Whereas, trade receivables reduced by RM2.1 million to RM60.4 million as at 31 March 2014 mainly due to stringent credit control.

Cash and cash equivalents reduced from RM114.0 million as at 31 December 2013 to RM108.9 million as at 31 March 2014. For the 1Q2014, the Group generated RM9.7 million in net cash flows from operating activities and net cash flows used in investing activities amounted to RM14.7 million were for the purchase of property, plant and equipment. The Group has no net cash flows used in financing activities in 1Q2014.

Current liabilities decreased by 8.5% from RM44.9 million as at 31 December 2013 to RM41.1 million as at 31 March 2014 mainly due to lower payables and accruals from RM39.3 million as at 31 December 2013 to RM34.4 million as at 31 March 2014, decreased in derivatives of RM0.3 million as at 31 March 2014 which offsetted with the increase in provision of taxation from RM5.3 million as at 31 December 2013 to RM6.6 million as at 31 March 2014.

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 expansion plan in Taiping, Perak, Malaysia has progressed well. By 31 December 2014, our Group is expected to have a total annual production capacity of 4.2 billion pieces of 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 first quarter ended 31 March 2014.

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 2014 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

06 May 2014

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.