
UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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) |
|-------------------------------------|--------------------------------------|--------------------------------------|----------------------------------|
| | 1Q2016 | 1Q2015 | |
| | 1 Jan 2016 to 31 Mar 2016 | 1 Jan 2015 to 31 Mar 2015 | |
| | RM'000 | RM'000 | % |
| Revenue | 148,146 | 127,173 | 16.5% |
| Cost of sales | (105,027) | (87,014) | 20.7% |
| Gross profit | 43,119 | 40,159 | 7.4% |
| Other income | 349 | 328 | 6.4% |
| Selling and distribution expenses | (3,542) | (3,260) | 8.7% |
| General and administrative expenses | (5,279) | (6,045) | (12.7%) |
| Other operating (expenses)/ income | (2,966) # | 1,697 # | (274.8%) |
| Profit before taxation | 31,681 | 32,879 | (3.6%) |
| Income tax expense | (4,502) | (5,871) | (23.3%) |
| Profit after taxation | 27,179 | 27,008 | 0.6% |
| Profit attributable to: | | | |
| Equity holders of the Company | 27,179 | 27,008 | 0.6% |
| Non-controlling interests | - | - | N/M |
| | 27,179 | 27,008 | |

Consolidated Statement of Comprehensive Income

| | Group | | Increase / (decrease) |
|--|--------------------------------------|--------------------------------------|----------------------------------|
| | 1Q2016 | 1Q2015 | |
| | 1 Jan 2016 to 31 Mar 2016 | 1 Jan 2015 to 31 Mar 2015 | |
| | RM'000 | RM'000 | % |
| Profit after taxation | 27,179 | 27,008 | 0.6% |
| Other comprehensive income: | | | |
| Foreign currency translation (loss)/ gain | (6,296) | 4,520 | (239.3%) |
| Total comprehensive income | 20,883 | 31,528 | (33.8%) |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Company | 20,883 | 31,528 | (33.8%) |
| Non-controlling interests | - | - | N/M |
| | 20,883 | 31,528 | |

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

| | Group | | Increase / (decrease) |
|---|--------------------------------------|--------------------------------------|----------------------------------|
| | 1Q2016 | 1Q2015 | |
| | 1 Jan 2016 to 31 Mar 2016 | 1 Jan 2015 to 31 Mar 2015 | |
| | RM'000 | RM'000 | % |
| Depreciation of property, plant and equipment | (6,953) | (5,958) | 16.7% |
| Net foreign exchange (loss)/ gain | (6,505) # | 1,882 # | (445.6%) |
| Property, plant and equipment written off | (13) | (15) | (13.3%) |
| Gain/ (loss) on disposal of property, plant and equipment | 131 | (162) | (180.9%) |
| Fair value gain on derivatives | 4,416 # | 810 # | 445.2% |
| Research and development expenses | (633) | (524) | 20.8% |
| Interest income from bank balances | 215 | 127 | 69.3% |

N/M Not Meaningful

* Denote amount less than RM500

The net foreign exchange (loss)/ gain and fair value gain 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 31.03.16 | As at 31.12.15 | As at 31.03.16 | As at 31.12.15 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 279,370 | 276,659 | - | - |
| Other asset | 5,070 | 2,866 | - | - |
| Investments in subsidiary companies | - | - | 190,500 | 199,249 |
| Deferred tax asset | 6,921 | 6,746 | - | - |
| | <u>291,361</u> | <u>286,271</u> | <u>190,500</u> | <u>199,249</u> |
| Current assets | | | | |
| Inventories | 65,249 | 61,163 | - | - |
| Trade receivables | 91,617 | 103,080 | - | - |
| Other receivables | 4,437 | 4,888 | - | - |
| Prepayments | 1,559 | 1,093 | 56 | 26 |
| Derivatives | 4,491 | 76 | - | - |
| Fixed deposits | 64,742 | 70,146 | 35,025 | 36,571 |
| Cash at banks and in hand | 59,063 | 58,536 | 7,151 | 7,915 |
| | <u>291,158</u> | <u>298,982</u> | <u>42,232</u> | <u>44,512</u> |
| Current liabilities | | | | |
| Payables and accruals | 60,799 | 84,405 | 242 | 314 |
| Amount due to a subsidiary company | - | - | 111 | 7 |
| Provision for taxation | 7,392 | 7,647 | 4 | 4 |
| | <u>68,191</u> | <u>92,052</u> | <u>357</u> | <u>325</u> |
| Net current assets | <u>222,967</u> | <u>206,930</u> | <u>41,875</u> | <u>44,187</u> |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 11,940 | 11,696 | - | - |
| | <u>11,940</u> | <u>11,696</u> | <u>-</u> | <u>-</u> |
| Net assets | <u>502,388</u> | <u>481,505</u> | <u>232,375</u> | <u>243,436</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 | 346,861 | 325,978 | 76,853 | 87,914 |
| | <u>502,383</u> | <u>481,500</u> | <u>232,375</u> | <u>243,436</u> |
| Non-controlling interests | 5 | 5 | - | - |
| Total equity | <u>502,388</u> | <u>481,505</u> | <u>232,375</u> | <u>243,436</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 | |
|---|----------------------------------|----------------------------------|
| | 1Q2016 | 1Q2015 |
| | 1 Jan 2016 to 31 Mar 2016 | 1 Jan 2015 to 31 Mar 2015 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before taxation | 31,681 | 32,879 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 6,953 | 5,958 |
| Property, plant and equipment written off | 13 | 15 |
| (Gain)/ loss on disposal of property, plant and equipment | (131) | 162 |
| Fair value gain on derivatives | (4,416) | (810) |
| Interest income | (215) | (127) |
| Operating cash flows before working capital changes | <u>33,885</u> | <u>38,077</u> |
| Increase in inventories | (4,086) | (7,965) |
| Decrease/ (increase) in receivables and prepayments | 11,449 | (8,741) |
| (Decrease)/ increase in payables and accruals | (23,517) | 7,524 |
| Cash flows from operations | <u>17,731</u> | <u>28,895</u> |
| Income tax paid | (4,688) | (2,816) |
| Interest received | 215 | 127 |
| Net cash flows from operating activities | <u>13,258</u> | <u>26,206</u> |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment | 461 | 9 |
| Purchase of property, plant and equipment | (11,133) | (12,157) |
| Installments paid for purchase of land | (2,293) | - |
| Net cash flows used in investing activities | <u>(12,965)</u> | <u>(12,148)</u> |
| Net increase in cash and cash equivalents | 293 | 14,058 |
| Effect of foreign currency exchange rates | (5,170) | 3,288 |
| Cash and cash equivalents at beginning of period | <u>128,682</u> | <u>79,432</u> |
| Cash and cash equivalents at end of period | <u>123,805</u> | <u>96,778</u> |
| Cash and cash equivalents comprise the followings at end of the financial period | | |
| Fixed deposits | 64,742 | 56,834 |
| Cash at banks and in hand | <u>59,063</u> | <u>39,944</u> |
| Cash and cash equivalent at end of the financial period | <u>123,805</u> | <u>96,778</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 | | | | | | | |
| 1Q2015 | | | | | | | |
| Balance at 1 January 2015 | 156,337 | (815) | 263,725 | (47,699) | 216,026 | 4 | 371,552 |
| Total comprehensive income for the period | - | - | 27,008 | 4,520 | 31,528 | - * | 31,528 |
| Balance at 31 March 2015 | 156,337 | (815) | 290,733 | (43,179) | 247,554 | 4 | 403,080 |
| 1Q2016 | | | | | | | |
| Balance at 1 January 2016 | 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 |
| Balance at 31 March 2016 | 156,337 | (815) | 391,698 | (44,837) | 346,861 | 5 | 502,388 |

* 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 | | | | | | |
| 1Q2015 | | | | | | |
| Balance at 1 January 2015 | 156,337 | (815) | 21,001 | 19,358 | 40,359 | 195,881 |
| Total comprehensive income for the period | - | - | (358) | 4,054 | 3,696 | 3,696 |
| Balance at 31 March 2015 | 156,337 | (815) | 20,643 | 23,412 | 44,055 | 199,577 |
| 1Q2016 | | | | | | |
| Balance at 1 January 2016 | 156,337 | (815) | 41,267 | 46,647 | 87,914 | 243,436 |
| Total comprehensive income for the period | - | - | (382) | (10,679) | (11,061) | (11,061) |
| Balance at 31 March 2016 | 156,337 | (815) | 40,885 | 35,968 | 76,853 | 232,375 |

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 2015 | <u>371,226,025</u> | <u>156,337</u> |
| As at 31 March 2016 | <u>742,452,050</u> | <u>156,337</u> |

On 5 November 2015, 28 December 2015 and 15 January 2016, the Company announced a Proposed Bonus issue on the basis of every one (1) bonus share to be credited as fully paid for every one (1) existing ordinary share in the capital of the company held by entitled shareholders.

On 15 January 2016, the ordinary resolution on the proposed bonus issue was duly passed.

371,226,025 Bonus Shares (comprising 370,542,025 new shares and 684,000 treasury shares) have been allotted and issued on 1 February 2016. Listing, quotation and commencement of the Bonus Shares on the Official List of the SGX-ST were with effect from 9.00 a.m. on 3 February 2016.

As at 31 March 2016, the Company held 1,368,000 of its issued shares as treasury shares (31 December 2015: 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 31.03.16 | As at 31.12.15 |
|---|---------------------------|---------------------------|
| Total number of issued shares | 742,452,050 | 371,226,025 |
| Less: Treasury shares | <u>(1,368,000)</u> | <u>(684,000)</u> |
| Total number of issued shares excluding treasury shares | <u>741,084,050</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.

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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 2015.

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 2015.

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 | |
|--|---------------|---------------|
| | 1Q2016 | 1Q2015 |
| Earnings per share ("EPS") in sen (RM) | | |
| a) Basic | 3.82 | 7.28 |
| b) On a fully diluted basis | 3.82 | 7.28 |

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 711.5 million number of ordinary shares in issue. As for comparative, earnings per share for the first quarter ended 31 March 2015 is calculated based on profit from ordinary activities after taxation of RM27.0 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 31.03.16 | As at 31.12.15 | As at 31.03.16 | As at 31.12.15 |
| Net asset per share in sen (RM) | 67.79 | 129.95 | 31.36 | 65.70 |

The Group and Company net asset backing per ordinary share as at 31 March 2016 and 31 December 2015 are calculated based on 741.1 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 1Q2016, the Group achieved RM148.1 million in total revenue, a 16.5% increase as compared to RM127.2 million in 1Q2015. With the increase in total revenue, the cost of sales had increased to RM105.0 million in 1Q2016. The Group's gross profit rose 7.4% from RM40.2 million in 1Q2015 to RM43.1 million in 1Q2016. The Group's gross profit margin came down from 31.6% to 29.1% due to fluctuation in raw material prices and US dollar against Malaysia Ringgit.

The Group's other income increased by 6.4% to RM0.3 million in 1Q2016 mainly due to higher interest income.

Selling and distribution expenses increased by RM0.3 million or 8.7% from RM3.3 million in 1Q2015 to RM3.5 million in 1Q2016 due to the increase in sales activities.

General and administrative expenses decreased by 12.7% year-on-year (yoy) to RM5.3 million in 1Q2016 mainly due to reduction in payroll cost.

Other operating expenses increased from an income of RM1.7 million in 1Q2015 to an expenses of RM3.0 million in 1Q2016 mainly due to net foreign exchange loss and higher research and development expenses in 1Q2016.

The Group's effective tax rate was lower when compared to 1Q2015 due to availability of higher reinvestment allowance claimable by the Group.

Overall for the 1Q2016, the Group's profit before tax reduced by 3.6 % to RM31.7 million and profit after tax increased by 0.6% to RM27.2 million when compared to 1Q2015.

b) BALANCE SHEET REVIEW

As at 31 March 2016, non-current assets which consist of Property, plant and equipment (PPE), other asset and deferred tax asset, increased to RM291.3 million from RM286.3 million. PPE increased to RM279.4 million from RM276.7 million mainly on acquisition amounted to RM11.1 million coupled with foreign exchange adjustment of RM1.1 million offset by the depreciation charge and PPE written off/ disposal of RM7.0 million and RM0.3 million respectively. Other asset as at 31 March 2016 was at RM5.1 million for the purchase of a piece of land with landfill costs. The deferred tax asset increased to RM6.9 million mainly due to the availability of reinvestment allowances.

Current assets for the Group reduced by RM7.8 million mainly attributable to a decrease in Trade receivables from RM103.1 million as at 31 December 2015 to RM91.6 million as at 31 March 2016 and an increase in derivatives of RM4.4 million.

Inventories, on the other hand, increased to RM65.2 million mainly due to higher production volume.

Cash and cash equivalents reduced to RM123.8 million as at 31 March 2016 from RM128.7 million as at 31 December 2015. For the 1Q2016, the Group generated RM13.3 million in net cash flows from operating activities and net cash flows used in investing activities amounted to RM13.0 million were for the purchase of PPE and installments paid for the purchase of a piece of land.

Current liabilities declined to RM68.2 million as at 31 March 2016 from RM92.1 million as at 31 December 2015. The reduction was due to lower payables and accruals from RM84.4 million as at 31 December 2015 to RM60.8 million as at 31 March 2016 and decrease in provision for taxation from RM7.6 million as at 31 December 2015 to RM7.4 million as at 31 March 2016.

Non-current liabilities increased to RM11.9 million as at 31 March 2016 from RM11.7 due to higher provision for deferred taxation.

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.

The Group has rolled out phase 3 expansion plan in Taiping, Perak, Malaysia progressively. By 31 December 2016, our Group is expected to have a total annual production capacity of 6.2 billion gloves.

The movement in commodity prices, the US currency fluctuation and competition from the other glove manufacturers remain challenging 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 2016.

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 2016 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

05 May 2016

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.