

## UNAUDITED RESULTS FOR THE THIRD QUARTER PERIOD ENDED 30 SEPTEMBER 2008

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

The initial public offering of Riverstone Holdings Limited (the "Company") was sponsored by Phillip Securities Pte Ltd (the "Manager"). The Manager assumes no responsibility for the contents of this announcement.

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 (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	3Q2008 1 Jul 2008 to 30 Sep 2008 RM'000	3Q2007 1 Jul 2007 to 30 Sep 2007 RM'000	Increase / (decrease) %	9M2008 1 Jan 2008 to 30 Sep 2008 RM'000	9M2007 1 Jan 2007 to 30 Sep 2007 RM'000	Increase / (decrease) %
<b>Revenue</b>	38,931	33,235	17.1%	108,365	88,863	21.9%
Cost of sales	(26,096)	(22,277)	17.1%	(74,641)	(59,341)	25.8%
<b>Gross profit</b>	12,835	10,958	17.1%	33,724	29,522	14.2%
Other operating income	283	444	(36.3%)	1,157	1,482	(21.9%)
Selling and distribution expenses	(1,394)	(1,294)	7.7%	(4,104)	(3,745)	9.6%
General and administrative expenses	(2,528)	(2,423)	4.3%	(6,980)	(6,592)	5.9%
Other operating expenses	(293)	(778)	(62.3%)	(2,222)	(3,088)	(28.0%)
Finance costs	(36)	(62)	(41.9%)	(126)	(200)	(37.0%)
<b>Profit before taxation</b>	8,867	6,845	29.5%	21,449	17,379	23.4%
Taxation	(1,636)	(1,361)	20.2%	(2,885)	(3,031)	(4.8%)
<b>Profit after taxation</b>	<b>7,231</b>	<b>5,484</b>	31.8%	<b>18,564</b>	<b>14,348</b>	29.4%
<b>Attributable to:</b>						
Equity holders of the Company	7,230	5,484	31.8%	18,563	14,348	29.4%
Minority interests	1	-	N/M	1	-	N/M
	<b>7,231</b>	<b>5,484</b>		<b>18,564</b>	<b>14,348</b>	

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

	Group			Group		
	3Q2008 1 Jul 2008 to 30 Sep 2008 RM'000	3Q2007 1 Jul 2007 to 30 Sep 2007 RM'000	Increase / (decrease) %	9M2008 1 Jan 2008 to 30 Sep 2008 RM'000	9M2007 1 Jan 2007 to 30 Sep 2007 RM'000	Increase / (decrease) %
Depreciation of property, plant and equipment	(1,802)	(1,610)	11.9%	(5,128)	(4,736)	8.3%
Net foreign exchange gain/(loss)	413	(288)	N/M	(63)	(762)	(91.7%)
Property, plant and equipment written off	(1)	11	N/M	(8)	(33)	(75.8%)
Gain/ (Loss) on disposal of property, plant and equipment	9	16	(43.8%)	(15)	95	N/M
Research and development expenses	(542)	(307)	76.5%	(1,311)	(1,504)	(12.8%)
Interest income from bank balances	215	284	(24.3%)	604	938	(35.6%)
Interest on borrowings	(36)	(62)	(41.9%)	(126)	(200)	(37.0%)

N/M Not Meaningful

\* Denote amount less than RM500

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

	Group		Company	
	As at 30.09.08 RM'000	As at 31.12.07 RM'000	As at 30.09.08 RM'000	As at 31.12.07 RM'000
<b>Non current assets</b>				
Property, plant and equipment	69,421	59,102	-	-
Investments in subsidiary companies	-	-	93,867	63,722
	<u>69,421</u>	<u>59,102</u>	<u>93,867</u>	<u>63,722</u>
<b>Current assets</b>				
Inventories	21,308	14,583	-	-
Trade receivables	33,084	30,199	-	-
Other receivables	753	1,148	-	-
Amounts due from a subsidiary company	-	-	-	21,887
Prepayments	208	199	35	4
Fixed deposits	41,079	47,591	18,700	31,582
Cash and bank balances	8,103	9,358	772	552
	<u>104,535</u>	<u>103,078</u>	<u>19,507</u>	<u>54,025</u>
<b>Current liabilities</b>				
Payables and accruals	13,828	15,822	264	3,099
Amounts due to a subsidiary company	-	-	59	-
Hire purchase creditors	85	96	-	-
Bank borrowings (secured)	847	1,340	-	-
Provision for taxation	558	1,340	-	128
	<u>15,318</u>	<u>18,598</u>	<u>323</u>	<u>3,227</u>
<b>Net current assets</b>	<u>89,217</u>	<u>84,480</u>	<u>19,184</u>	<u>50,798</u>
<b>Non current liabilities</b>				
Hire purchase creditors	47	107	-	-
Bank borrowings (secured)	838	1,401	-	-
Deferred taxation	3,490	3,490	-	-
	<u>4,375</u>	<u>4,998</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>	<u>154,263</u>	<u>138,584</u>	<u>113,051</u>	<u>114,520</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	106,788	106,788	106,788	106,788
Reserves	47,472	31,794	6,263	7,732
	<u>154,260</u>	<u>138,582</u>	<u>113,051</u>	<u>114,520</u>
Minority interests	3	2	-	-
<b>Total equity</b>	<u>154,263</u>	<u>138,584</u>	<u>113,051</u>	<u>114,520</u>

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

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>30.09.08</b>	<b>31.12.07</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amount repayable in one year or less, or on demand</b>		
Hire purchase creditors (secured)	85	96
Bank borrowings (secured)	847	1,340
	<u>932</u>	<u>1,436</u>
<b>Amount repayable after one year</b>		
Hire purchase creditors (secured)	47	107
Bank borrowings (secured)	838	1,401
	<u>885</u>	<u>1,508</u>

The hire purchases were secured by certain motor vehicles.

The bank borrowings were secured by the following:-

- (a) First legal charge over certain of the Group's freehold land and buildings; and
- (b) A corporate guarantee of the Company

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

	Group		Group	
	3Q2008 1 Jul 2008 to 30 Sep 2008 RM'000	3Q2007 1 Jul 2007 to 30 Sep 2007 RM'000	9M2008 1 Jan 2008 to 30 Sep 2008 RM'000	9M2007 1 Jan 2007 to 30 Sep 2007 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation	8,867	6,845	21,449	17,379
Adjustments:-				
Depreciation of property, plant and equipment	1,802	1,610	5,128	4,736
Property, plant and equipment written off	1	(11)	8	33
Loss/ (gain) on disposal of property, plant and equipment	(9)	(16)	15	(95)
Interest expense	36	62	126	200
Interest income	(215)	(284)	(604)	(938)
Operating cash flow before working capital changes	10,482	8,206	26,122	21,315
(Increase)/ decrease in inventories	(1,781)	296	(6,725)	353
Increase in receivables and prepayments	(6,008)	(4,802)	(2,499)	(1,760)
(Decrease)/ Increase in payables and accruals	(1,530)	2,499	(1,994)	(3,198)
Cash generated from operations	1,163	6,199	14,904	16,710
Income taxes paid	(1,991)	(517)	(3,667)	(1,770)
Interest paid	(36)	(62)	(126)	(200)
Interest received	215	284	604	938
Net cash (used in)/ generated from operating activities	(649)	5,904	11,715	15,678
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	157	49	170	130
Purchase of property, plant and equipment	(4,206)	(2,648)	(14,667)	(5,040)
Net cash used in investing activities	(4,049)	(2,599)	(14,497)	(4,910)
<b>Cash flows from financing activities</b>				
Repayment of banker's acceptances	-	-	-	(169)
Repayment of term loans	(280)	(394)	(1,056)	(1,163)
Repayment of hire purchase creditors	(24)	(38)	(171)	(101)
Dividends paid	-	-	(6,298)	(7,985)
Net cash used in financing activities	(304)	(432)	(7,525)	(9,418)
Net (decrease)/ increase in cash and cash equivalents	(5,002)	2,873	(10,307)	1,350
Effect of foreign currency exchange rates	901	620	2,540	(242)
Cash and cash equivalents at beginning of period	53,283	52,737	56,949	55,122
Cash and cash equivalents at end of period	49,182	56,230	49,182	56,230
<b>Cash and cash equivalents comprise the followings at end of the financial period</b>				
Fixed deposits	41,079	44,295	41,079	44,295
Cash at banks and in hand	8,103	11,935	8,103	11,935
Cash and cash equivalent at end of the financial period	49,182	56,230	49,182	56,230

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- 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	Retained Earnings RM'000	Other Reserves RM'000	Total Reserves RM'000	Minority Interests RM'000	Total Equity RM'000
<b>GROUP</b>						
<b>9M2007</b>						
<b>Balance at 1 January 2007</b>	106,788	80,124	(58,920)	21,204	2	127,994
Net profit for the period	-	14,348	-	14,348	- *	14,348
Net effect of translation differences	-	-	(91)	(91)	1	(90)
Payment of FY2006 final dividend	-	(7,985)	-	(7,985)	-	(7,985)
<b>Balance at 30 September 2007</b>	<b>106,788</b>	<b>86,487</b>	<b>(59,011)</b>	<b>27,476</b>	<b>3</b>	<b>134,267</b>
<b>9M2008</b>						
<b>Balance at 1 January 2008</b>	106,788	90,625	(58,831)	31,794	2	138,584
Net profit for the period	-	18,564	-	18,564	1	18,565
Net effect of translation differences	-	-	3,412	3,412	-	3,412
Payment of FY2007 final dividend	-	(6,298)	-	(6,298)	-	(6,298)
<b>Balance at 30 September 2008</b>	<b>106,788</b>	<b>102,891</b>	<b>(55,419)</b>	<b>47,472</b>	<b>3</b>	<b>154,263</b>
<b>3Q2007</b>						
<b>Balance at 1 July 2007</b>	106,788	81,003	(59,615)	21,388	2	128,178
Net profit for the period	-	5,484	-	5,484	-	5,484
Net effect of translation differences	-	-	604	604	1	605
<b>Balance at 30 September 2007</b>	<b>106,788</b>	<b>86,487</b>	<b>(59,011)</b>	<b>27,476</b>	<b>3</b>	<b>134,267</b>
<b>3Q2008</b>						
<b>Balance at 1 July 2008</b>	106,788	95,660	(57,180)	38,480	2	145,270
Net profit for the period	-	7,231	-	7,231	1	7,232
Net effect of translation differences	-	-	1,761	1,761	-	1,761
<b>Balance at 30 September 2008</b>	<b>106,788</b>	<b>102,891</b>	<b>(55,419)</b>	<b>47,472</b>	<b>3</b>	<b>154,263</b>

\* Denote amount less than RM500

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<u>COMPANY</u>	Share Capital RM'000	Retained Earnings RM'000	Other Reserves RM'000	Total Reserves RM'000	Total Equity RM'000
<b>9M2007</b>					
<b>Balance at 1 January 2007</b>	106,788	8,449	(1,359)	7,090	113,878
Net loss for the period	-	(351)	-	(351)	(351)
Net effect of translation differences	-	-	(740)	(740)	(740)
Payment of FY2006 final dividend	-	(7,985)	-	(7,985)	(7,985)
<b>Balance at 30 September 2007</b>	106,788	113	(2,099)	(1,986)	104,802
<b>9M2008</b>					
<b>Balance at 1 January 2008</b>	106,788	9,581	(1,849)	7,732	114,520
Net loss for the period	-	(914)	-	(914)	(914)
Net effect of translation differences	-	-	5,743	5,743	5,743
Payment of FY2007 final dividend	-	(6,298)	-	(6,298)	(6,298)
<b>Balance at 30 September 2008</b>	106,788	2,369	3,894	6,263	113,051
<b>3Q2007</b>					
<b>Balance at 1 July 2007</b>	106,788	339	(3,789)	(3,450)	103,338
Net loss for the period	-	(226)	-	(226)	(226)
Net effect of translation differences	-	-	1,690	1,690	1,690
<b>Balance at 30 September 2007</b>	106,788	113	(2,099)	(1,986)	104,802
<b>3Q2008</b>					
<b>Balance at 1 July 2008</b>	106,788	2,589	3,152	5,741	112,529
Net loss for the period	-	(220)	-	(220)	(220)
Net effect of translation differences	-	-	742	742	742
<b>Balance at 30 September 2008</b>	106,788	2,369	3,894	6,263	113,051

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- 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 '000	Share Capital RM'000
<b>Issued and fully paid up:</b>		
<b>As at 31 December 2007</b>	<u>309,500</u>	<u>106,788</u>
<b>As at 30 September 2008</b>	<u>309,500</u>	<u>106,788</u>

The Company does not have any outstanding share convertibles and treasury shares 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 30.09.08 '000	As at 31.12.07 '000
Total number of issued shares excluding treasury shares	<u>309,500</u>	<u>309,500</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.**

Not applicable

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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.**

The accounting policies and method of computation applied in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2007.

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.**

Not applicable

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>3Q2008</b>	<b>3Q2007</b>
Earnings per share ("EPS") in sen (RM)			
a)	Basic	2.33	1.78
b)	On a fully diluted basis	2.33	1.78

Earnings per share for the third quarter ended 30 September 2008 is calculated based on profit from ordinary activities after taxation of RM7.2 million divided by weighted average of 309.5 million number of ordinary shares in issue. As for comparative, earnings per share for the third quarter ended 30 September 2007 is calculated based on profit attributable to shareholders of RM5.5 million divided by weighted average of 309.5 million number of ordinary shares in issue. As there were no share options and other potential issuance granted, the basic and 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 30.09.08</b>	<b>As at 31.12.07</b>	<b>As at 30.09.08</b>	<b>As at 31.12.07</b>
Net asset per share in sen (RM)	49.84	44.78	36.53	37.00

The Group and Company net asset backing per ordinary share as at 30 September 2008 and 31 December 2007 are calculated based on 309.50 million ordinary shares in issue.



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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 3Q2008, the Group achieved 17.1% growth in total revenue to RM38.9 million as compared to RM33.2 million in 3Q2007. The Group's total glove revenue increased by 16.2% in 3Q2008 as compared to 3Q2007 mainly due to stronger demand from customers in the Hard Disk Drive ("HDD") industry and from gaining more customers from outside the HDD industry.

In the 3Q2008, despite the electricity tariff hike of 26%, latex prices surged to a peak of RM7.20/kg, crude oil price hit the all time high of USD147 per barrel and the appreciation of Malaysian Ringgit, the Group managed to increase gross profit by approximately 17.1% to RM12.8 million and maintained the gross profit margin at 33.0% when compared to 3Q2007 mainly due to improvement in production and productivity.

The Group's other operating income reduced from RM0.4 million in 3Q2007 to RM0.3 million in 3Q2008 as a result of the lower interest income.

Selling and distribution expenses increased by 7.7% to RM1.4 million in 3Q2008. This was due mainly to higher handling and forwarding expenses.

Other operating expenses declined from RM0.8 million to RM0.3 million. Higher expenditure on the research and development activities mitigated by the net foreign exchange gains recorded in 3Q2008 when compared to 3Q2007 were the main contributing factors of the decline.

The effective tax rate was 13.5% in 9M2008 as compared to 17.4% in 9M2007 due to availability of higher reinvestment allowance obtained by a subsidiary company and the higher profits of certain overseas subsidiaries enjoying tax free status.

Overall for the third quarter under review, the Group's profit before tax and profit after tax increased by 29.5% and 31.8% to RM8.9 million and RM7.2 million respectively. As for the 9M2008, the Group's profit before tax and profit after tax increased by 23.4% and 29.4% to RM21.5 million and RM18.6 million respectively when compared to the corresponding period of 2007.

### b) BALANCE SHEET REVIEW

As at 30 September 2008, property, plant and equipment increased from RM59.1 million to RM69.4 million mainly due to purchases of property, plant and equipment of RM14.7 million, offset by the depreciation charges of RM5.1 million.

Resulting from the Group's increase in revenue, trade receivables increased by RM2.9 million to RM33.1 million as at 30 September 2008 and inventories increased to RM21.3 million as at 30 September 2008.

Other receivables reduced from RM1.1 million to RM0.8 million as at 30 September 2008 mainly due to transfer of prepayments to property, plant and equipment.

Cash and cash equivalents decreased from RM56.9 million as at 31 December 2007 to RM49.2 million as at 30 September 2008. Net cash flows used in operating activities for 3Q2008 was RM0.7 million whereas net cash flows used in investing and financing activities were RM4.0 million and RM0.3 million respectively, and were mainly used to finance the purchase of property, plant and equipment.

Payables and accruals decreased by 12.6% from RM15.8 million as at 31 December 2007 to RM13.8 million as at 30 September 2008 as a result of advance payment arrangements with some suppliers to secure a rebate or discount on the purchases.

Total bank borrowings decreased by 38.5% to RM1.7 million as at 30 September 2008 due to repayment of the borrowings. The Group had not acquired additional bank borrowings during 9M2008.

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

There is no material variance from the statement provided in the previous announcement.

- 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.**

It is a challenging time ahead for the Group as the global economy is expected to slow down. The Group is also confronted with price volatility and foreign exchange instability. These will affect our Group's revenue and gross profit margin.

In response, the Group has taken measures to continue to grow our sales by penetrating other geographical markets and to contain cost by further improving operational efficiency.

Barring other unforeseen circumstances, the Group is cautiously optimistic on maintaining the demand for our products.

- 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 where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

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 2008.

- 13. Statement by Directors  
Pursuant to SGX Listing Rule 705(4)**

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 2008 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

10 November 2008

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.