
UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

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

| | Group | | Increase / (decrease) |
|--|--|--|----------------------------------|
| | 1Q2009 | 1Q2008 | |
| | 1 Jan 2009 to 31 Mar 2009 | 1 Jan 2008 to 31 Mar 2008 | |
| | RM'000 | RM'000 | % |
| Revenue | 25,798 | 35,839 | (28.0%) |
| Cost of sales | (20,791) | (25,317) | (17.9%) |
| Gross profit | <u>5,007</u> | <u>10,522</u> | (52.4%) |
| Other income | 152 | 279 | (45.5%) |
| Selling and distribution expenses | (1,220) | (1,355) | (10.0%) |
| General and administrative expenses | (1,800) | (2,244) | (19.8%) |
| Other operating expenses | (8) | (913) | (99.1%) |
| Finance costs | (23) | (48) | (52.1%) |
| Profit before taxation | <u>2,108</u> | <u>6,241</u> | (66.2%) |
| Taxation | (284) | (663) | (57.2%) |
| Profit after taxation | <u><u>1,824</u></u> | <u><u>5,578</u></u> | (67.3%) |
| Other comprehensive income/ (expense): | | | |
| Foreign currency translation | 1,348 | 1,070 | 26.0% |
| Total comprehensive income | <u><u>3,172</u></u> | <u><u>6,648</u></u> | (52.3%) |
| Profit attributable to: | | | |
| Equity holders of the Company | 1,824 | 5,578 | (67.3%) |
| Minority interests | - | - | N/M |
| | <u><u>1,824</u></u> | <u><u>5,578</u></u> | |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Company | 3,172 | 6,648 | (52.3%) |
| Minority interests | - | - | N/M |
| | <u><u>3,172</u></u> | <u><u>6,648</u></u> | |

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

| | Group | | Increase / (decrease) |
|---|--|--|----------------------------------|
| | 1Q2009 | 1Q2008 | |
| | 1 Jan 2009 to 31 Mar 2009 | 1 Jan 2008 to 31 Mar 2008 | |
| | RM'000 | RM'000 | % |
| Depreciation of property, plant and equipment | (2,027) | (1,631) | 24.3% |
| Net foreign exchange gain/ (loss) | 418 | (505) | N/M |
| Property, plant and equipment written off | - | (6) | N/M |
| Loss on disposal of property, plant and equipment | - | (7) | N/M |
| Research and development expenses | (412) | (253) | 62.8% |
| Interest income from bank balances | 85 | 192 | (55.7%) |
| Interest on borrowings | (23) | (48) | (52.1%) |

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 31.03.09 | As at 31.12.08 | As at 31.03.09 | As at 31.12.08 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Non current assets | | | | |
| Property, plant and equipment | 74,643 | 73,543 | - | - |
| Investments in subsidiary companies | - | - | 94,308 | 94,551 |
| | <u>74,643</u> | <u>73,543</u> | <u>94,308</u> | <u>94,551</u> |
| Current assets | | | | |
| Inventories | 16,994 | 22,861 | - | - |
| Trade receivables | 23,249 | 25,452 | - | - |
| Other receivables | 1,113 | 1,421 | - | - |
| Amounts due from a subsidiary company | - | - | 1,956 | 1,962 |
| Prepayments | 367 | 86 | 60 | - |
| Tax recoverable | 1,618 | 1,390 | - | - |
| Fixed deposits | 39,457 | 31,108 | 21,744 | 21,793 |
| Cash and bank balances | 16,552 | 15,418 | 706 | 929 |
| | <u>99,350</u> | <u>97,736</u> | <u>24,466</u> | <u>24,684</u> |
| Current liabilities | | | | |
| Payables and accruals | 10,942 | 11,305 | 202 | 202 |
| Hire purchase creditors | 70 | 77 | - | - |
| Bank borrowings (secured) | 517 | 681 | - | - |
| Provision for taxation | 257 | 101 | 12 | 16 |
| | <u>11,786</u> | <u>12,164</u> | <u>214</u> | <u>218</u> |
| Net current assets | <u>87,564</u> | <u>85,572</u> | <u>24,252</u> | <u>24,466</u> |
| Non current liabilities | | | | |
| Hire purchase creditors | 12 | 29 | - | - |
| Bank borrowings (secured) | 593 | 721 | - | - |
| Deferred taxation | 4,390 | 4,325 | - | - |
| | <u>4,995</u> | <u>5,075</u> | <u>-</u> | <u>-</u> |
| Net assets | <u>157,212</u> | <u>154,040</u> | <u>118,560</u> | <u>119,017</u> |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 106,788 | 106,788 | 106,788 | 106,788 |
| Reserves | 50,421 | 47,249 | 11,772 | 12,229 |
| | <u>157,209</u> | <u>154,037</u> | <u>118,560</u> | <u>119,017</u> |
| Minority interests | 3 | 3 | - | - |
| Total equity | <u>157,212</u> | <u>154,040</u> | <u>118,560</u> | <u>119,017</u> |

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

| | Group | |
|---|---------------------------|---------------------------|
| | As at 31.03.09 | As at 31.12.08 |
| | RM'000 | RM'000 |
| Amount repayable in one year or less, or on demand | | |
| Hire purchase creditors (secured) | 70 | 77 |
| Bank borrowings (secured) | 517 | 681 |
| | <u>587</u> | <u>758</u> |
| Amount repayable after one year | | |
| Hire purchase creditors (secured) | 12 | 29 |
| Bank borrowings (secured) | 593 | 721 |
| | <u>605</u> | <u>750</u> |

The hire purchases were secured by certain motor vehicles.

The bank borrowings were secured by 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 | |
|---|---|---|
| | 1Q2009 1 Jan 2009 to 31 Mar 2009 RM'000 | 1Q2008 1 Jan 2008 to 31 Mar 2008 RM'000 |
| Cash flows from operating activities | | |
| Profit before taxation | 2,108 | 6,241 |
| Adjustments:- | | |
| Depreciation of property, plant and equipment | 2,027 | 1,631 |
| Property, plant and equipment written off | - | 6 |
| Loss on disposal of property, plant and equipment | - | 7 |
| Interest expense | 23 | 48 |
| Interest income | (85) | (192) |
| Operating cash flows before working capital changes | 4,073 | 7,741 |
| Decrease/ (increase) in inventories | 5,867 | (3,115) |
| Decrease in receivables and prepayments | 2,230 | 1,947 |
| Decrease in payables and accruals | (363) | (1,150) |
| Cash flows from operations | 11,807 | 5,423 |
| Income taxes paid | (291) | (856) |
| Interest paid | (23) | (48) |
| Interest received | 85 | 192 |
| Net cash flows from operating activities | 11,578 | 4,711 |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment | - | 2 |
| Purchase of property, plant and equipment | (2,437) | (5,489) |
| Net cash flows used in investing activities | (2,437) | (5,487) |
| Cash flows from financing activities | | |
| Repayment of term loans | (292) | (406) |
| Repayment of hire purchase creditors | (24) | (123) |
| Net cash flows used in financing activities | (316) | (529) |
| Net increase/ (decrease) in cash and cash equivalents | 8,825 | (1,305) |
| Effect of foreign currency exchange rates | 658 | 677 |
| Cash and cash equivalents at beginning of period | 46,526 | 56,949 |
| Cash and cash equivalents at end of period | 56,009 | 56,321 |
| Cash and cash equivalents comprise the followings at end of the financial period | | |
| Fixed deposits | 39,457 | 46,871 |
| Cash at banks and in hand | 16,552 | 9,450 |
| Cash and cash equivalent at end of the financial period | 56,009 | 56,321 |

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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 |
|---|----------------------------|--------------------------------|-----------------------------|-----------------------------|---------------------------------|---------------------------|
| GROUP | | | | | | |
| 1Q2008 | | | | | | |
| Balance at 1 January 2008 | 106,788 | 90,625 | (58,831) | 31,794 | 2 | 138,584 |
| Total comprehensive income for the period | - | 5,578 | 1,070 | 6,648 | - | 6,648 |
| Balance at 31 March 2008 | 106,788 | 96,203 | (57,761) | 38,442 | 2 | 145,232 |
| 1Q2009 | | | | | | |
| Balance at 1 January 2009 | 106,788 | 103,210 | (55,961) | 47,249 | 3 | 154,040 |
| Total comprehensive income for the period | - | 1,824 | 1,348 | 3,172 | - | 3,172 |
| Balance at 31 March 2009 | 106,788 | 105,034 | (54,613) | 50,421 | 3 | 157,212 |

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COMPANY

1Q2008

Balance at 1 January 2008

Total comprehensive income for the period

Balance at 31 March 2008

1Q2009

Balance at 1 January 2009

Total comprehensive income for the period

Balance at 31 March 2009

| | Share Capital RM'000 | Retained Earnings RM'000 | Other Reserves RM'000 | Total Reserves RM'000 | Total Equity RM'000 |
|--|-------------------------------------|---|--------------------------------------|--------------------------------------|--------------------------------|
| | 106,788 | 9,581 | (1,849) | 7,732 | 114,520 |
| | - | (370) | 816 | 446 | 446 |
| | 106,788 | 9,211 | (1,033) | 8,178 | 114,966 |
| | 106,788 | 8,524 | 3,705 | 12,229 | 119,017 |
| | - | (150) | (307) | (457) | (457) |
| | 106,788 | 8,374 | 3,398 | 11,772 | 118,560 |
| | | | | | |

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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 |
|----------------------------------|-----------------------------|-------------------------|
| Issued and fully paid up: | | |
| As at 31 December 2008 | <u>309,500</u> | <u>106,788</u> |
| As at 31 March 2009 | <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 31.03.09 '000 | As at 31.12.08 '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 2008 except those indicated below.

The following are the new/ revised FRS that is relevant to the group and effective beginning on 1 January 2009:

FRS 1 Presentation of Financial Statements (Revised)
 FRS 23 Borrowing Costs
 FRS 108 Operating Segments

The adoption of the above new/ revised FRSs have no material impact on the financial statements of the Group in the period of initial adoption except for FRS 1 (Revised). FRS 1 (Revised) changes the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

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:-**

| | Group | |
|--|---------------|---------------|
| | 1Q2009 | 1Q2008 |
| Earnings per share ("EPS") in sen (RM) | | |
| a) Basic | 0.58 | 1.80 |
| b) On a fully diluted basis | 0.58 | 1.80 |

Earnings per share for the financial period ended 31 March 2009 is calculated based on profit from ordinary activities after taxation of RM1.8 million divided by weighted average of 309.5 million number of ordinary shares in issue. As for comparative, earnings per share for the 3 months ended 31 March 2008 is calculated based on profit attributable to shareholders of RM5.6 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.

| | Group | | Company | |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31.03.09 | As at 31.12.08 | As at 31.03.09 | As at 31.12.08 |
| Net asset per share in sen (RM) | 50.8 | 49.77 | 38.31 | 38.45 |

The Group and Company net asset backing per ordinary share as at 31 March 2009 and 31 December 2008 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 1Q2009, the Group achieved RM25.8 million in total revenue, a 28.0% reduction as compared to RM35.8 million in 1Q2008. This was due to lower demand for the Group's products as a result of the global economic downturn. Cost of sales reduced by 17.9% to RM20.8 million due to lower production.

Gross profit declined from RM10.5 million in 1Q2008 to RM5.0 million in 1Q2009 as a result of higher unit production costs.

The Group's other income reduced from RM0.3 million in 1Q2008 to RM0.2 million in 1Q2009 due to lower interest income.

Selling and distribution expenses decreased by 10.0% to RM1.2 million in 1Q2009. This was due mainly to lower handling and forwarding expenses.

General and administrative expenses reduced from RM2.2 million in 1Q 2008 to RM1.8 million in 1Q2009 due to reduction in payroll cost.

Other operating expenses reduced to RM0.008 million in 1Q2009 as a result of higher net foreign exchange gain in 1Q2009 as compared to higher net foreign exchange loss in 1Q2008.

The effective tax rate was 13.5% in 1Q2009 as compared to 10.6% in 1Q2008 because of lower reinvestment allowances.

Overall for the 1Q2009, the Group's profit before tax and profit after tax reduced by 66.2% and 67.3% to RM2.1 million and RM1.8 million when compared to 1Q2008.

b) BALANCE SHEET REVIEW

As at 31 March 2009, fixed assets increased from RM73.5 million to RM74.6 million mainly due to the acquisition of property, plant and equipment of RM2.4 million, offset by the depreciation charge of RM2.0 million.

Trade receivables decreased by 8.7% or RM2.2 million to RM23.2 million mainly due to lower sales and stringent credit control. Inventory levels reduced from RM22.9 million as at 31 December 2008 to RM17.0 million as at 31 March 2009 due to reduction in production following the slowdown in sales.

Tax recoverable was in respect of the tax paid in advance to the local tax authorities based on the tax estimate for the year of assessment 2008.

Cash and cash equivalents declined slightly from RM56.3 million as at 31 December 2008 to RM56.0 million as at 31 March 2009. For the 1Q2009, the Group generated RM11.8 million from operating activities whereas net cash flows used in investing and financing activities amounted to RM2.4 million and RM0.3 million respectively, and were mainly used to finance the purchase of property, plant and equipment and loan repayment.

Payables and accruals decreased from RM11.3 million as at 31 December 2008 to RM10.9 million as at 31 March 2009 as a result of lower purchases.

Total bank borrowings decreased by 20.8% from RM1.4 million to RM1.1 million due to repayment of the borrowings. The Group had not acquired additional bank borrowings during 1Q2009.

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.**

The demand for our cleanroom products have been affected by the slowdown in the hard disk drive and semiconductor industries. The Group has diversified into medical gloves as another source of income for the Group.

The business outlook for 2009 is expected to remain challenging. The Group will continue to take measures to control cost, mitigate risks and look out for further growth opportunities.

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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 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 first quarter ended 31 March 2009.

13. Interest person transactions

The aggregate value of interested person transactions entered into for the financial quarter ended 31 March 2009 is as follow:

| Name of interested persons | Aggregate value of all interested person transactions during the financial quarter under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|----------------------------|---|--|
| Hoe Hup Heng Engineering | S\$181,383 | 0 |

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 2009 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

13 May 2009

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.