

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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			Group		
	2Q2009 1 Apr 2009 to 30 Jun 2009 RM'000	2Q2008 1 Apr 2008 to 30 Jun 2008 RM'000	Increase / (decrease) %	1H2009 1 Jan 2009 to 30 Jun 2009 RM'000	1H2008 1 Jan 2008 to 30 Jun 2008 RM'000	Increase / (decrease) %
Revenue	37,731	33,595	12.3%	63,529	69,434	(8.5%)
Cost of sales	(26,531)	(23,228)	14.2%	(47,322)	(48,545)	(2.5%)
Gross profit	11,200	10,367	8.0%	16,207	20,889	(22.4%)
Other income	220	278	(20.9%)	372	557	(33.2%)
Selling and distribution expenses	(1,101)	(1,355)	(18.7%)	(2,321)	(2,710)	(14.4%)
General and administrative expenses	(2,348)	(2,208)	6.3%	(4,148)	(4,452)	(6.8%)
Other operating expenses	(673)	(699)	(3.7%)	(681)	(1,612)	(57.8%)
Finance costs	(17)	(42)	(59.5%)	(40)	(90)	(55.6%)
Profit before taxation	7,281	6,341	14.8%	9,389	12,582	(25.4%)
Taxation	(520)	(586)	(11.3%)	(804)	(1,249)	(35.6%)
Profit after taxation	6,761	5,755	17.5%	8,585	11,333	(24.2%)
Other comprehensive income/ (expense):						
Foreign currency translation	150	581	(74.2%)	1,498	1,651	(9.3%)
Total comprehensive income	6,911	6,336	9.1%	10,083	12,984	(22.3%)
Profit attributable to:						
Equity holders of the Company	6,761	5,755	17.5%	8,585	11,333	(24.2%)
Minority interests	- *	- *	N/M	- *	- *	N/M
	6,761	5,755		8,585	11,333	
Total comprehensive income attributable to:						
Equity holders of the Company	6,911	6,336	9.1%	10,083	12,984	(22.3%)
Minority interests	- *	- *	N/M	- *	- *	N/M
	6,911	6,336		10,083	12,984	

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

	Group			Group		
	2Q2009 1 Apr 2009 to 30 Jun 2009 RM'000	2Q2008 1 Apr 2008 to 30 Jun 2008 RM'000	Increase / (decrease) %	1H2009 1 Jan 2009 to 30 Jun 2009 RM'000	1H2008 1 Jan 2008 to 30 Jun 2008 RM'000	Increase / (decrease) %
Depreciation of property, plant and equipment	(2,082)	(1,695)	22.8%	(4,109)	(3,326)	23.5%
Net foreign exchange gain/ (loss)	(64)	29	N/M	354	(476)	N/M
Property, plant and equipment written off	(39)	(1)	N/M	(39)	(7)	N/M
Gain/ (loss) on disposal of property, plant and equipment	11	(17)	N/M	11	(24)	N/M
Research and development expenses	(364)	(516)	(29.5%)	(776)	(769)	0.9%
Interest income from bank balances	81	197	(58.9%)	166	389	(57.3%)
Interest on borrowings	(17)	(42)	(59.5%)	(40)	(90)	(55.6%)

N/M Not Meaningful

* Denote amount less than RM500

RIVERSTONE HOLDINGS LIMITED

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 30.06.09	As at 31.12.08	As at 30.06.09	As at 31.12.08
	RM'000	RM'000	RM'000	RM'000
Non current assets				
Property, plant and equipment	74,664	73,543	-	-
Investments in subsidiary companies	-	-	95,463	94,551
	<u>74,664</u>	<u>73,543</u>	<u>95,463</u>	<u>94,551</u>
Current assets				
Inventories	15,954	22,861	-	-
Trade receivables	32,609	25,452	-	-
Other receivables	4,799	1,421	-	-
Amounts due from a subsidiary company	-	-	1,931	1,962
Prepayments	430	86	29	-
Tax recoverable	1,612	1,390	-	-
Fixed deposits	27,850	31,108	14,621	21,793
Cash and bank balances	20,855	15,418	2,330	929
	<u>104,109</u>	<u>97,736</u>	<u>18,911</u>	<u>24,684</u>
Current liabilities				
Payables and accruals	14,043	11,305	160	202
Hire purchase creditors	64	77	-	-
Bank borrowings (secured)	474	681	-	-
Provision for taxation	707	101	6	16
	<u>15,288</u>	<u>12,164</u>	<u>166</u>	<u>218</u>
Net current assets	<u>88,821</u>	<u>85,572</u>	<u>18,745</u>	<u>24,466</u>
Non current liabilities				
Hire purchase creditors	-	29	-	-
Bank borrowings (secured)	472	721	-	-
Deferred taxation	4,390	4,325	-	-
	<u>4,862</u>	<u>5,075</u>	<u>-</u>	<u>-</u>
Net assets	<u>158,623</u>	<u>154,040</u>	<u>114,208</u>	<u>119,017</u>
Equity attributable to equity holders of the Company				
Share capital	106,788	106,788	106,788	106,788
Reserves	51,832	47,249	7,420	12,229
	<u>158,620</u>	<u>154,037</u>	<u>114,208</u>	<u>119,017</u>
Minority interests	3	3	-	-
Total equity	<u>158,623</u>	<u>154,040</u>	<u>114,208</u>	<u>119,017</u>

RIVERSTONE HOLDINGS LIMITED

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

	Group	
	As at 30.06.09	As at 31.12.08
	RM'000	RM'000
Amount repayable in one year or less, or on demand		
Hire purchase creditors (secured)	64	77
Bank borrowings (secured)	474	681
	<u>538</u>	<u>758</u>
Amount repayable after one year		
Hire purchase creditors (secured)	-	29
Bank borrowings (secured)	472	721
	<u>472</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.

RIVERSTONE HOLDINGS LIMITED

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	
	2Q2009 1 Apr 2009 to 30 Jun 2009 RM'000	2Q2008 1 Apr 2008 to 30 Jun 2008 RM'000	1H2009 1 Jan 2009 to 30 Jun 2009 RM'000	1H2008 1 Jan 2008 to 30 Jun 2008 RM'000
Cash flows from operating activities				
Profit before taxation	7,281	6,341	9,389	12,582
Adjustments:-				
Depreciation of property, plant and equipment	2,082	1,695	4,109	3,326
Property, plant and equipment written off	39	1	39	7
(Gain)/ loss on disposal of property, plant and equipment	(11)	17	(11)	24
Interest expense	17	42	40	90
Interest income	(81)	(197)	(166)	(389)
Operating cash flows before working capital changes	9,327	7,899	13,400	15,640
Decrease/ (increase) in inventories	1,040	(1,829)	6,907	(4,944)
(Increase)/ decrease in receivables and prepayments	(13,109)	1,562	(10,879)	3,509
Increase/ (decrease) in payables and accruals	3,101	686	2,738	(464)
Cash flows from operations	359	8,318	12,166	13,741
Income taxes paid	(64)	(820)	(355)	(1,676)
Interest paid	(17)	(42)	(40)	(90)
Interest received	81	197	166	389
Net cash flows from operating activities	359	7,653	11,937	12,364
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	15	11	15	13
Purchase of property, plant and equipment	(2,146)	(4,972)	(4,583)	(10,461)
Net cash flows used in investing activities	(2,131)	(4,961)	(4,568)	(10,448)
Cash flows from financing activities				
Repayment of term loans	(164)	(370)	(456)	(776)
Repayment of hire purchase creditors	(18)	(24)	(42)	(147)
Dividends paid	(5,500)	(6,298)	(5,500)	(6,298)
Net cash flows used in financing activities	(5,682)	(6,692)	(5,998)	(7,221)
Net increase/ (decrease) in cash and cash equivalents	(7,454)	(4,000)	1,371	(5,305)
Effect of foreign currency exchange rates	150	962	808	1,639
Cash and cash equivalents at beginning of period	56,009	56,321	46,526	56,949
Cash and cash equivalents at end of period	48,705	53,283	48,705	53,283
Cash and cash equivalents comprise the followings at end of the financial period				
Fixed deposits	20,855	44,606	20,855	44,606
Cash at banks and in hand	27,850	8,677	27,850	8,677
Cash and cash equivalent at end of the financial period	48,705	53,283	48,705	53,283

RIVERSTONE HOLDINGS LIMITED

- 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						
1H2008						
Balance at 1 January 2008	106,788	90,625	(58,831)	31,794	2	138,584
Total comprehensive income for the period	-	11,333	1,651	12,984	-	12,984
Payment of FY2007 final dividend	-	(6,298)	-	(6,298)	-	(6,298)
Balance at 30 June 2008	106,788	95,660	(57,180)	38,480	2	145,270
1H2009						
Balance at 1 January 2009	106,788	103,210	(55,961)	47,249	3	154,040
Total comprehensive income for the period	-	8,585	1,498	10,083	-	10,083
Payment of FY2008 final dividend	-	(5,500)	-	(5,500)	-	(5,500)
Balance at 30 June 2009	106,788	106,295	(54,463)	51,832	3	158,623
2Q2008						
Balance at 1 April 2008	106,788	96,203	(57,761)	38,442	2	145,232
Total comprehensive income for the period	-	5,755	581	6,336	-	6,336
Payment of FY2007 final dividend	-	(6,298)	-	(6,298)	-	(6,298)
Balance at 30 June 2008	106,788	95,660	(57,180)	38,480	2	145,270
2Q2009						
Balance at 1 April 2009	106,788	105,034	(54,613)	50,421	3	157,212
Total comprehensive income for the period	-	6,761	150	6,911	-	6,911
Payment of FY2008 final dividend	-	(5,500)	-	(5,500)	-	(5,500)
Balance at 30 June 2009	106,788	106,295	(54,463)	51,832	3	158,623

RIVERSTONE HOLDINGS LIMITED

<u>COMPANY</u>	Share Capital RM'000	Retained Earnings RM'000	Other Reserves RM'000	Total Reserves RM'000	Total Equity RM'000
1H2008					
Balance at 1 January 2008	106,788	9,581	(1,849)	7,732	114,520
Total comprehensive income for the period	-	(694)	5,001	4,307	4,307
Payment of FY2007 final dividend	-	(6,298)	-	(6,298)	(6,298)
Balance at 30 June 2008	106,788	2,589	3,152	5,741	112,529
1H2009					
Balance at 1 January 2009	106,788	8,524	3,705	12,229	119,017
Total comprehensive income for the period	-	(380)	1,071	691	691
Payment of FY2008 final dividend	-	(5,500)	-	(5,500)	(5,500)
Balance at 30 June 2009	106,788	2,644	4,776	7,420	114,208
2Q2008					
Balance at 1 April 2008	106,788	9,211	(1,033)	8,178	114,966
Total comprehensive income for the period	-	(324)	4,185	3,861	3,861
Payment of FY2007 final dividend	-	(6,298)	-	(6,298)	(6,298)
Balance at 30 June 2008	106,788	2,589	3,152	5,741	112,529
2Q2009					
Balance at 1 April 2009	106,788	8,374	3,398	11,772	118,560
Total comprehensive income for the period	-	(230)	1,378	1,148	1,148
Payment of FY2008 final dividend	-	(5,500)	-	(5,500)	(5,500)
Balance at 30 June 2009	106,788	2,644	4,776	7,420	114,208

RIVERSTONE HOLDINGS LIMITED

- 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 30 June 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 30.06.09 '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

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	
		2Q2009	2Q2008
Earnings per share ("EPS") in sen (RM)			
a)	Basic	2.19	1.86
b)	On a fully diluted basis	2.19	1.86

Earnings per share for the second quarter ended 30 June 2009 is calculated based on profit from ordinary activities after taxation of RM6.8 million divided by weighted average of 309.5 million number of ordinary shares in issue. As for comparative, earnings per share for the second quarter ended 30 June 2008 is calculated based on profit attributable to shareholders of RM5.8 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 30.06.09	As at 31.12.08	As at 30.06.09	As at 31.12.08
Net asset per share in sen (RM)	51.25	49.77	36.90	38.45

The Group and Company net asset backing per ordinary share as at 30 June 2009 and 31 December 2008 are calculated based on 309.50 million ordinary shares in issue.

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:-
- 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
 - 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

The Group's pretax profit and net profit rose 14.8% and 17.5% to RM7.3 million and RM6.7 million respectively when compared to 2Q2008. This was achieved on the back of total revenue increased by 12.3% from RM33.6 million in 2Q2008 to RM37.7 million in 2Q2009. This was mainly due to improve demand for the Group's products from customers in the semiconductor and healthcare gloves industries.

The Group's gross profit rose 8.0% from RM10.4 million in 2Q2008 to RM11.2 million in 2Q2009. A lower percentage of nitrile sales mix was recorded when compared to 2Q2008 caused the Group's overall gross profit margin to decline slightly by 1.2% from 30.9% in 2Q2008 to 29.7% in 2Q2009.

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

Selling and distribution expenses decreased by RM0.3 million or 18.7% from RM1.4 million to RM1.1 million in 2Q2009. This was due mainly to lower handling and forwarding expenses.

General and administrative expenses increased by RM0.1 million or 6.3% from RM2.2 million in 2Q2008 to RM2.3 million in 2Q2009 mainly because of marginal increase in payroll cost.

Other operating expenses reduced by 3.7% to RM0.7 million in 2Q2009 due to lower spending in research and development activities.

The effective tax rate was 7.1% in 2Q2009 as compared to 9.2% in 2Q2008 due to availability of higher reinvestment allowance claimable by the Group.

Overall for the first half of 2009, the Group's pretax and net profit reduced by 25.4% and 24.2% respectively when compared to the corresponding period of 2008.

b) BALANCE SHEET REVIEW

As at 30 June 2009, fixed assets increased from RM73.5 million to RM74.7 million due to the acquisition of property, plant and equipment of RM4.6 million, offset by the depreciation charge of RM4.1 million and the foreign exchange adjustment of RM0.7 million.

Trade receivables increased by RM7.1 million to RM32.6 million as at 30 June 2009 whereas there was a reduction in inventories level from RM22.9 million as at 31 December 2008 to RM16.0 million as at 30 June 2009 due to increase in sales.

Other receivables increased from RM1.4 million to RM4.8 million as at 30 June 2009 mainly due to payment of deposit for the purchase of fixed assets.

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 representing a 4.7% increase from RM46.5 million as at 31 December 2008 to RM48.7 million as at 30 June 2009. For the 2Q2009, the Group generated RM0.4 million in net cash flows from operating activities whereas net cash flows used in investing and financing activities amounted to RM2.1 million and RM5.7 million respectively, and were mainly used to finance the purchase of property, plant and equipment, loan repayment and payment of dividends.

Payables and accruals increased by RM2.7 million from RM11.3 million as at 31 December 2008 to RM14.0 million as at 30 June 2009 as a result of longer credit term granted by a few main suppliers.

Total bank borrowings decreased by RM0.4 million from RM1.4 million to RM1.0 million due to repayment of the borrowings. The Group had not acquired additional bank borrowings during 1H2009.

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 Group's performance for 2Q2009 improved significantly as compared to the 1Q2009 due to higher demand for the Group's cleanroom products. The Group expects this to continue so long as the semiconductor industry continue to strengthen in the forthcoming quarters.

Following the diversification into healthcare gloves in the late 1Q2009, the Group's healthcare gloves have started to produce a positive contribution to the 2Q2009 results. The Group expects the demand for the healthcare gloves to be robust in the remaining quarters.

In response to the current economic situation, the Group will continue to take measures to control cost, mitigate risks and look out for further growth opportunities.

Barring other unforeseen circumstances, the Directors are optimistic that the Group will achieve favourable results for the forthcoming quarters.

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 second quarter ended 30 June 2009.

13. Interest person transactions

The aggregate value of interested person transactions entered into for the financial quarter ended 30 June 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\$202,875	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 second quarter ended 30 June 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

6 August 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.