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**UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012**


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**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**

	<b>Group</b>		<b>Increase / (decrease) %</b>
	<b>1Q2012</b>	<b>1Q2011</b>	
	<b>1 Jan 2012 to 31 Mar 2012</b>	<b>1 Jan 2011 to 31 Mar 2011</b>	
	<b>RM'000</b>	<b>RM'000</b>	
<b>Revenue</b>	<b>73,267</b>	<b>64,435</b>	13.7%
Cost of sales	(57,268)	(48,867)	17.2%
<b>Gross profit</b>	<b>15,999</b>	<b>15,568</b>	2.8%
Other income	179	139	28.8%
Selling and distribution expenses	(1,613)	(1,412)	14.2%
General and administrative expenses	(3,162)	(2,990)	5.8%
Other operating expenses	(582)	(1,118)	(47.9%)
Finance costs	-	(4)	(100.0%)
<b>Profit before taxation</b>	<b>10,821</b>	<b>10,183</b>	6.3%
Taxation	(1,073)	(763)	40.6%
<b>Profit after taxation</b>	<b>9,748</b>	<b>9,420</b>	3.5%
<b>Profit attributable to:</b>			
Equity holders of the Company	9,748	9,420	3.5%
Non-controlling interests	-	-	N/M
	<b>9,748</b>	<b>9,420</b>	

**Consolidated Statement of Comprehensive Income**

	<b>Group</b>		<b>Increase / (decrease) %</b>
	<b>1Q2012</b>	<b>1Q2011</b>	
	<b>1 Jan 2012 to 31 Mar 2012</b>	<b>1 Jan 2011 to 31 Mar 2011</b>	
	<b>RM'000</b>	<b>RM'000</b>	
<b>Profit after taxation</b>	<b>9,748</b>	<b>9,420</b>	3.5%
<b>Other comprehensive expense:</b>			
Foreign currency translation	(527)	(561)	(6.1%)
<b>Total comprehensive income</b>	<b>9,221</b>	<b>8,859</b>	4.1%
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	9,221	8,859	4.1%
Non-controlling interests	-	-	N/M
	<b>9,221</b>	<b>8,859</b>	

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

	<b>Group</b>		<b>Increase / (decrease) %</b>
	<b>1Q2012</b>	<b>1Q2011</b>	
	<b>1 Jan 2012 to 31 Mar 2012</b>	<b>1 Jan 2011 to 31 Mar 2011</b>	
	<b>RM'000</b>	<b>RM'000</b>	
Depreciation of property, plant and equipment	(3,962)	(3,332)	18.9%
Net foreign exchange loss	(513)	(613)	(16.3%)
Property, plant and equipment written off	-	(30)	(100.0%)
Gain on disposal of property, plant and equipment	-	-	N/M
Fair value gain on derivatives	576	111	N/M
Research and development expenses	(465)	(403)	15.4%
Interest income from bank balances	52	31	67.7%
Interest on bank borrowings	-	(4)	(100.0%)

N/M Not Meaningful

\* Denote amount less than RM500

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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 31.03.12	As at 31.12.11	As at 31.03.12	As at 31.12.11
	RM'000	RM'000	RM'000	RM'000
<b>Non-current assets</b>				
Property, plant and equipment	136,490	137,675	-	-
Investments in subsidiary companies	-	-	121,781	121,890
	<u>136,490</u>	<u>137,675</u>	<u>121,781</u>	<u>121,890</u>
<b>Current assets</b>				
Inventories	32,532	31,602	-	-
Trade receivables	56,463	53,083	-	-
Other receivables	1,604	2,254	-	-
Prepayments	1,080	1,000	106	70
Tax recoverable	456	456	-	-
Derivatives	576	-	-	-
Fixed deposits	14,652	12,214	14,652	12,214
Cash and bank balances	26,231	29,356	2,026	3,046
	<u>133,594</u>	<u>129,965</u>	<u>16,784</u>	<u>15,330</u>
<b>Current liabilities</b>				
Payables and accruals	26,052	34,773	180	218
Amount due to a subsidiary company	-	-	201	146
Finance leases	5	8	-	-
Derivatives	-	509	-	-
Provision for taxation	1,671	921	1	1
	<u>27,728</u>	<u>36,211</u>	<u>382</u>	<u>365</u>
<b>Net current assets</b>	<u>105,866</u>	<u>93,754</u>	<u>16,402</u>	<u>14,965</u>
<b>Non-current liabilities</b>				
Deferred taxation	7,414	7,414	-	-
	<u>7,414</u>	<u>7,414</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>	<u>234,942</u>	<u>224,015</u>	<u>138,183</u>	<u>136,855</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	115,031	113,242	115,031	113,242
Reserves	119,907	110,769	23,152	23,613
	<u>234,938</u>	<u>224,011</u>	<u>138,183</u>	<u>136,855</u>
<b>Non-controlling interests</b>	4	4	-	-
<b>Total equity</b>	<u>234,942</u>	<u>224,015</u>	<u>138,183</u>	<u>136,855</u>

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

	<b>Group</b>	
	<b>As at 31.03.12</b>	<b>As at 31.12.11</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amount repayable in one year or less, or on demand</b>		
Finance leases (secured)	5	8
	<u>5</u>	<u>8</u>

The finance leases were secured by certain motor vehicles.

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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	
	1Q2012 1 Jan 2012 to 31 Mar 2012 RM'000	1Q2011 1 Jan 2011 to 31 Mar 2011 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	10,821	10,183
Adjustments:–		
Depreciation of property, plant and equipment	3,962	3,332
Property, plant and equipment written off	-	30
Gain on disposal of property, plant and equipment	-	-
Fair value gain on derivatives	(576)	(111)
Interest expense	-	4
Interest income	(52)	(31)
Operating cash flows before working capital changes	14,155	13,407
Increase in inventories	(930)	(239)
Increase in receivables and prepayments	(2,810)	(3,878)
Decrease in payables and accruals	(9,230)	(3,852)
Cash flows from operations	1,185	5,438
Income taxes paid	(323)	(573)
Interest paid	-	(4)
Interest received	52	31
Net cash flows from operating activities	<b>914</b>	<b>4,892</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(2,976)	(3,742)
Net cash flows used in investing activities	<b>(2,976)</b>	<b>(3,742)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from warrants conversion	1,706	469
Repayment of term loans	-	(127)
Repayment of finance leases	(3)	(3)
Net cash flows from financing activities	<b>1,703</b>	<b>339</b>
Net (decrease)/ increase in cash and cash equivalents	(359)	1,489
Effect of foreign currency exchange rates	(328)	(167)
Cash and cash equivalents at beginning of period	41,570	44,149
Cash and cash equivalents at end of period	<b>40,883</b>	<b>45,471</b>
<b>Cash and cash equivalents comprise the followings at end of the financial period</b>		
Fixed deposits	14,652	19,675
Cash at banks and in hand	26,231	25,796
Cash and cash equivalent at end of the financial period	<b>40,883</b>	<b>45,471</b>

\* Denote amount less than RM500

- 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.

<b>GROUP</b>	<b>Share Capital RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Other Reserves RM'000</b>	<b>Total Reserves RM'000</b>	<b>Non-controlling Interests RM'000</b>	<b>Total Equity RM'000</b>
<b>1Q2011</b>						
<b>Balance at 1 January 2011</b>	110,129	144,319	(54,192)	90,127	4	200,260
Total comprehensive income for the period	-	9,420	(561)	8,859	- *	8,859
Issuance of ordinary shares upon the exercise of warrants	492	-	(23)	(23)	-	469
<b>Balance at 31 March 2011</b>	<b>110,621</b>	<b>153,739</b>	<b>(54,776)</b>	<b>98,963</b>	<b>4</b>	<b>209,588</b>
<b>1Q2012</b>						
<b>Balance at 1 January 2012</b>	113,242	162,491	(51,722)	110,769	4	224,015
Total comprehensive income for the period	-	9,748	(527)	9,221	- *	9,221
Issuance of ordinary shares upon the exercise of warrants	1,789	-	(83)	(83)	-	1,706
Barring other unforeseen circumstances, the Directors are cautious	115,031	172,239	(52,332)	119,907	4	234,942

Denote amount less than RM500

<b>COMPANY</b>	<b>Share Capital RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Other Reserves RM'000</b>	<b>Total Reserves RM'000</b>	<b>Total Equity RM'000</b>
<b>1Q2011</b>					
<b>Balance at 1 January 2011</b>	110,129	15,167	4,684	19,851	129,980
Total comprehensive income for the period	-	(255)	735	480	480
Issuance of ordinary shares upon the exercise of warrants	492	-	(23)	(23)	469
<b>Balance at 31 March 2011</b>	<b>110,621</b>	<b>14,912</b>	<b>5,396</b>	<b>20,308</b>	<b>130,929</b>
<b>1Q2012</b>					
<b>Balance at 1 January 2012</b>	113,242	15,850	7,763	23,613	136,855
Total comprehensive income for the period	-	(278)	(100)	(378)	(378)
Issuance of ordinary shares upon the exercise of warrants	1,789	-	(83)	(83)	1,706
<b>Balance at 31 March 2012</b>	<b>115,031</b>	<b>15,572</b>	<b>7,580</b>	<b>23,152</b>	<b>138,183</b>

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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	Share Capital RM'000
<b>Issued and fully paid up:</b>		
<b>As at 31 December 2011</b>	<u>317,888,762</u>	<u>113,242</u>
<b>As at 31 March 2012</b>	<u>320,177,802</u>	<u>115,031</u>

On 19 May 2010, the Company announce a renounceable non-underwritten rights issue of up to 61,900,000 warrants at an issue price of S\$0.02 for each warrant, each warrant carrying the right to subscribe for one (1) new share at the exercise price of S\$0.31 for each new share, on the basis of one (1) warrant for every five (5) existing ordinary shares.

On 5 August 2010, the Company allotted and issued 61,900,000 rights warrants for valid acceptance received.

The warrants are exercisable within three (3) years from the date of issue of warrants on 5 August 2010 and will expire on 4 August 2013. For the 3 months ended 31 March 2012, total conversion of warrants to shares for the period amount to S\$709,602.40, the outstanding warrants were 51,222,198.

Other than the above mentioned, the Company does not have any outstanding share convertibles and treasury shares at the end of the financial period under review.

The Company wishes to announce that to-date, the total net proceeds of approximately S\$4.27 million from the issuance of warrants and conversion of warrants were fully used for the Group's general working capital.

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 31.03.12	As at 31.12.11
Total number of issued shares excluding treasury shares	<u>320,177,802</u>	<u>317,888,762</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.**

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 of the most recently audited consolidated financial statements for the financial year ended 31 December 2011.

**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 Group and the Company have adopted the following new and revised FRSs standards that are mandatory for the financial periods beginning on or after 1-July-2011 and 1-January-2012:-

*Effective for annual periods beginning  
on or after*

Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2012
Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets	1 January 2012

The adoption of the revised FRS did not have any financial impact on the financial statements of the Group and the Company for the quarter ended 31 March 2012.

**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>1Q2012</b>	<b>1Q2011</b>
Earnings per share ("EPS") in sen (RM)		
a) Basic	3.05	3.00
b) On a fully diluted basis	2.91	2.54

Earnings per share for the first quarter ended 31 March 2012 is calculated based on profit from ordinary activities after taxation of RM9.7 million divided by weighted average of 319.8 million number of ordinary shares in issue. As for comparative, earnings per share for the first quarter ended 31 March 2011 is calculated based on profit attributable to shareholders of RM9.4 million divided by weighted average of 314.5 million number of ordinary shares in issue.

The fully diluted earnings per share for the first quarter ended 31 March 2012 is calculated based on the weighted average number of 334.5 million (1Q2011: 371.4 million) ordinary shares after adjustments for the dilutive effects assuming the full exercise of warrants outstanding during the period and after adjusting the weighted average number of shares in issue during the period.

**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 31.03.12</b>	<b>As at 31.12.11</b>	<b>As at 31.03.12</b>	<b>As at 31.12.11</b>
Net asset per share in sen (RM)	73.38	70.47	43.16	43.05

The Group and Company net asset backing per ordinary share as at 31 March 2012 and 31 December 2011 are calculated based on 320.2 million and 317.9 million ordinary shares in issue 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

The Group has achieved positive growth in 1Q2012 in profit before tax and profit after tax when compared to the same quarter last year.

For the 1Q2012, the profit before tax and profit after tax rose by 6.3% and 3.5% to RM10.8 million and RM9.7 million respectively when compared to 1Q2011. This was achieved on the back of an increase in total revenue by 13.7% from RM64.4 million in 1Q2011 to RM73.3 million in 1Q2012. The revenue growth is in line with the Group's expansion in production capacity and growing demand of our products especially in healthcare gloves. The Group's gross profit recorded at RM16.0 million in 1Q2012, a 2.8% increased from RM15.6 million of 1Q2011.

The Group's other income increased from RM0.1 million in 1Q2011 to RM0.2 million in 1Q2012 mainly due to higher interest income from fixed deposits.

Selling and distribution expenses increased by 14.2% from RM1.4 million in 1Q2011 to RM1.6 million in 1Q2012 due to the increase in sales activities.

General and administrative expenses increased by RM0.2 million or 5.8% from RM3.0 million in 1Q2011 to RM3.2 million in 1Q2012 mainly due to increase in payroll cost.

Other operating expenses decreased by 47.9% to RM0.6 million mainly as a result of net foreign exchange gain in 1Q2012 when compared to net foreign exchange loss in 1Q2011.

Finance costs decreased by 100.0% in 1Q2012 as the bank borrowings had been fully settled in 2Q2011.

The Group's effective tax rate was higher when compared to 1Q2011 because of lower reinvestment allowance claimable by the Group.

### b) BALANCE SHEET REVIEW

As at 31 March 2012, non-current assets reduced to RM136.5 million from RM137.7 million mainly due to acquisition of property, plant and equipment of RM3.0 million and offset by the depreciation charge of RM4.0 million and the foreign exchange adjustment of RM0.2 million.

Trade receivables and inventories increased from RM53.1 million to RM56.5 million and from RM31.6 million to RM32.5 million as at 31 March 2012 respectively mainly due to increase in sales and higher production volume.

Other receivables decreased to RM1.6 million as at 31 March 2012 from RM2.3 million as at 31 December 2011 mainly due to reducing advance given to secure the supply of raw material.

Prepayments increased from RM1.0 million to RM1.1 million as at 31 March 2012 mainly due to prepayment of Malaysian government levy for foreign workers and insurance premiums.

Cash and cash equivalents reduced from RM41.6 million as at 31 December 2011 to RM40.9 million as at 31 March 2012. For the 1Q2012, the Group generated RM0.9 million in net cash flows from operating activities and net cash flows used in investing activities amounted to RM3.0 million were for the purchase of property, plant and equipment. The Group has net cash flows from financing activities in 1Q2012 amounted to RM1.7 million which mainly from the proceeds of warrants conversion to ordinary shares.

Current liabilities decreased by 23.4% mainly due to the decrease in payables and accruals from RM34.8 million as at 31 December 2011 to RM26.1 million as at 31 March 2012.

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

No forecast and prospect statement had been made previously.

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 recent recovery of the Hard Disk Drive industry will lead to a normal resumption of demand for our cleanroom products. The demand for healthcare gloves is expected to continue to grow. However, we will continue to face fierce competition from other healthcare glove manufacturers in growing our market.

Besides a positive growth in demand for our gloves, the movement in commodity prices, foreign currency exchange instability and steep competition from the other healthcare glove manufacturers will continue to be a challenge.

Barring other unforeseen circumstances, the Directors are cautiously optimistic that the Group will achieve profitable results in the forthcoming quarters.



**RIVERSTONE HOLDINGS LIMITED**

**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 2012.

**13. Interest person transactions**

The aggregate value of interested person transactions entered into for the first quarter ended 31 March 2012 is as follow:

Name of interested persons	Aggregate value of all interested person transactions during the financial year 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)	
	S\$	RM	S\$	RM
Hoe Hup Heng Engineering	S\$2,656	RM6,430	S\$0	RM0
Sea Transport	S\$14,117	RM34,172	S\$0	RM0

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 2012 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

2 May 2012

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.