

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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			Group		
	2Q2016	2Q2015	Increase / (decrease)	1H2016	1H2015	Increase / (decrease)
	1 Apr 2016 to 30 Jun 2016	1 Apr 2015 to 30 Apr 2015		1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 30 Jun 2015	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	156,711	128,970	21.5%	304,857	256,143	19.0%
Cost of sales	(118,466)	(90,192)	31.3%	(223,493)	(177,206)	26.1%
Gross profit	38,245	38,778	(1.4%)	81,364	78,937	3.1%
Other income	381	338	12.7%	730	666	9.6%
Selling and distribution expenses	(3,525)	(3,046)	15.7%	(7,067)	(6,306)	12.1%
General and administrative expenses	(5,514)	(5,185)	6.3%	(10,793)	(11,230)	(3.9%)
Other operating income/ (expenses)	2,064 #	1,294 #	59.5%	(902) #	2,991 #	(130.2%)
Profit before taxation	31,651	32,179	(1.6%)	63,332	65,058	(2.7%)
Income tax expense	(4,345)	(5,190)	(16.3%)	(8,847)	(11,061)	(20.0%)
Profit after taxation	27,306	26,989	1.2%	54,485	53,997	0.9%
Profit attributable to:						
Equity holders of the Company	27,305	26,988	1.2%	54,484	53,996	0.9%
Non-controlling interests	1	1	0.0%	1	1	0.0%
	27,306	26,989		54,485	53,997	

Consolidated Statement of Comprehensive Income

	Group			Group		
	2Q2016	2Q2015	Increase / (decrease)	1H2016	1H2015	Increase / (decrease)
	1 Apr 2016 to 30 Jun 2016	1 Apr 2015 to 30 Apr 2015		1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 30 Jun 2015	
	RM'000	RM'000	%	RM'000	RM'000	%
Profit after taxation	27,306	26,989	1.2%	54,485	53,997	0.9%
Other comprehensive income:						
Foreign currency translation gain/ (loss)	1,494	(375)	(498.4%)	(4,802)	4,145	(215.9%)
Total comprehensive income	28,800	26,614	8.2%	49,683	58,142	(14.5%)
Total comprehensive income attributable to:						
Equity holders of the Company	28,799	26,613	8.2%	49,682	58,141	(14.5%)
Non-controlling interests	1	1	0.0%	1	1	0.0%
	28,800	26,614		49,683	58,142	

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

	Group			Group		
	2Q2016	2Q2015	Increase / (decrease)	1H2016	1H2015	Increase / (decrease)
	1 Apr 2016 to 30 Jun 2016	1 Apr 2015 to 30 Apr 2015		1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 30 Jun 2015	
	RM'000	RM'000	%	RM'000	RM'000	%
Depreciation of property, plant and equipment	(7,139)	(5,982)	19.3%	(14,092)	(11,940)	18.0%
Net foreign exchange gain	6,531 #	1,514 #	331.4%	26 #	3,396 #	(99.2%)
Trade receivables written off	(2)	-	N/M	(2)	-	N/M
Property, plant and equipment written off	(28)	(3)	833.3%	(41)	(18)	127.8%
Gain/ (loss) on disposal of property, plant and equipment	30	1	2900.0%	161	(161)	(200.0%)
Fair value (loss)/ gain on derivatives	(3,498) #	588 #	(694.9%)	918 #	1,398 #	(34.3%)
Research and development expenses	(608)	(582)	4.5%	(1,241)	(1,106)	12.2%
Interest income from bank balances	195	157	24.2%	410	284	44.4%

N/M Not Meaningful

The net foreign exchange gain and fair value (loss)/ 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 30.06.16	As at 31.12.15	As at 30.06.16	As at 31.12.15
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	300,381	276,659	-	-
Other asset	5,772	2,866	-	-
Investments in subsidiary companies	-	-	195,705	199,249
Deferred tax asset	7,183	6,746	-	-
	<u>313,336</u>	<u>286,271</u>	<u>195,705</u>	<u>199,249</u>
Current assets				
Inventories	60,525	61,163	-	-
Trade receivables	109,453	103,080	-	-
Other receivables	6,201	4,888	-	-
Prepayments	2,503	1,093	7	26
Derivatives	996	76	-	-
Fixed deposits	51,169	70,146	11,155	36,571
Cash at banks and in hand	47,773	58,536	3,380	7,915
	<u>278,620</u>	<u>298,982</u>	<u>14,542</u>	<u>44,512</u>
Current liabilities				
Payables and accruals	79,990	84,405	232	314
Amount due to a subsidiary company	-	-	192	7
Provision for taxation	7,456	7,647	3	4
	<u>87,446</u>	<u>92,052</u>	<u>427</u>	<u>325</u>
Net current assets	<u>191,174</u>	<u>206,930</u>	<u>14,115</u>	<u>44,187</u>
Non-current liabilities				
Deferred tax liabilities	12,229	11,696	-	-
	<u>12,229</u>	<u>11,696</u>	<u>-</u>	<u>-</u>
Net assets	<u>492,281</u>	<u>481,505</u>	<u>209,820</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	336,753	325,978	54,298	87,914
	<u>492,275</u>	<u>481,500</u>	<u>209,820</u>	<u>243,436</u>
Non-controlling interests	6	5	-	-
Total equity	<u>492,281</u>	<u>481,505</u>	<u>209,820</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		Group	
	2Q2016 1 Apr 2016 to 30 Jun 2016	2Q2015 1 Apr 2015 to 30 Apr 2015	1H2016 1 Jan 2016 to 30 Jun 2016	1H2015 1 Jan 2015 to 30 Jun 2015
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	31,651	32,179	63,332	65,058
Adjustments for:				
Depreciation of property, plant and equipment	7,139	5,982	14,092	11,940
Property, plant and equipment written off	28	3	41	18
(Gain)/ loss on disposal of property, plant and equipment	(30)	(1)	(161)	161
Fair value loss/ (gain) on derivatives	3,498	(588)	(918)	(1,398)
Trade receivables written off	2	-	2	-
Interest income	(195)	(157)	(410)	(284)
Operating cash flows before working capital changes	42,093	37,418	75,978	75,495
Decrease/ (increase) in inventories	4,724	(6,777)	638	(14,742)
Increase in receivables and prepayments	(20,549)	(7,832)	(9,100)	(16,573)
Increase/ (decrease) in payables and accruals	18,489	7,813	(5,028)	15,337
Cash flows from operations	44,757	30,622	62,488	59,517
Income tax paid	(4,254)	(3,334)	(8,942)	(6,150)
Interest received	195	157	410	284
Net cash flows from operating activities	40,698	27,445	53,956	53,651
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	200	7	661	16
Purchase of property, plant and equipment	(28,007)	(11,342)	(39,140)	(23,499)
Installments paid for purchase of land	-	-	(2,293)	-
Net cash flows used in investing activities	(27,807)	(11,335)	(40,772)	(23,483)
Cash flows from financing activities				
Dividends paid	(38,907)	(16,860)	(38,907)	(16,860)
Net cash flows used in financing activities	(38,907)	(16,860)	(38,907)	(16,860)
Net (decrease)/ increase in cash and cash equivalents	(26,016)	(750)	(25,723)	13,308
Effect of foreign currency exchange rates	1,153	(114)	(4,017)	3,174
Cash and cash equivalents at beginning of period	123,805	96,778	128,682	79,432
Cash and cash equivalents at end of period	98,942	95,914	98,942	95,914
Cash and cash equivalents comprise the followings at end of the financial period				
Fixed deposits	51,169	48,611	51,169	48,611
Cash at banks and in hand	47,773	47,303	47,773	47,303
Cash and cash equivalent at end of the financial period	98,942	95,914	98,942	95,914

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							
1H2015							
Balance at 1 January 2015	156,337	(815)	263,725	(47,699)	216,026	4	371,552
Total comprehensive income for the period	-	-	53,996	4,145	58,141	1	58,142
Payment of FY2014 final dividend	-	-	(16,860)	-	(16,860)	-	(16,860)
Balance at 30 June 2015	156,337	(815)	300,861	(43,554)	257,307	5	412,834
1H2016							
Balance at 1 January 2016	156,337	(815)	364,519	(38,541)	325,978	5	481,505
Total comprehensive income for the period	-	-	54,484	(4,802)	49,682	1	49,683
Payment of FY2015 final dividend	-	-	(38,907)	-	(38,907)	-	(38,907)
Balance at 30 June 2016	156,337	(815)	380,096	(43,343)	336,753	6	492,281
2Q2015							
Balance at 1 April 2015	156,337	(815)	290,733	(43,179)	247,554	4	403,080
Total comprehensive income for the period	-	-	26,988	(375)	26,613	1	26,614
Payment of FY2014 final dividend	-	-	(16,860)	-	(16,860)	-	(16,860)
Balance at 30 June 2015	156,337	(815)	300,861	(43,554)	257,307	5	412,834
2Q2016							
Balance at 1 April 2016	156,337	(815)	391,698	(44,837)	346,861	5	502,388
Total comprehensive income for the period	-	-	27,305	1,494	28,799	1	28,800
Payment of FY2015 final dividend	-	-	(38,907)	-	(38,907)	-	(38,907)
Balance at 30 June 2016	156,337	(815)	380,096	(43,343)	336,753	6	492,281

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<u>COMPANY</u>	Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Other Reserves RM'000	Total Reserves RM'000	Total Equity RM'000
1H2015						
Balance at 1 January 2015	156,337	(815)	21,001	19,358	40,359	195,881
Total comprehensive income for the period	-	-	9,855	11,519	21,374	21,374
Payment of FY2014 final dividend	-	-	(16,860)	-	(16,860)	(16,860)
Balance at 30 June 2015	156,337	(815)	13,996	30,877	44,873	200,395
1H2016						
Balance at 1 January 2016	156,337	(815)	41,267	46,647	87,914	243,436
Total comprehensive income for the period	-	-	10,532	(5,241)	5,291	5,291
Payment of FY2015 final dividend	-	-	(38,907)	-	(38,907)	(38,907)
Balance at 30 June 2016	156,337	(815)	12,892	41,406	54,298	209,820
2Q2015						
Balance at 1 April 2015	156,337	(815)	20,643	23,412	44,055	199,577
Total comprehensive income for the period	-	-	10,213	7,465	17,678	17,678
Payment of FY2014 final dividend	-	-	(16,860)	-	(16,860)	(16,860)
Balance at 30 June 2015	156,337	(815)	13,996	30,877	44,873	200,395
2Q2016						
Balance at 1 April 2016	156,337	(815)	40,885	35,968	76,853	232,375
Total comprehensive income for the period	-	-	10,914	5,438	16,352	16,352
Payment of FY2015 final dividend	-	-	(38,907)	-	(38,907)	(38,907)
Balance at 30 June 2016	156,337	(815)	12,892	41,406	54,298	209,820

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 30 June 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 30 June 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 30.06.16	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	
		2Q2016	2Q2015
Earnings per share ("EPS") in sen (RM)			
a)	Basic	3.84	7.27
b)	On a fully diluted basis	3.84	7.27

Earnings per share for the second quarter ended 30 June 2016 is calculated based on profit from ordinary activities after taxation of RM27.3 million divided by weighted average of 711.5 million number of ordinary shares in issue. As for comparative, earnings per share for the second quarter ended 30 June 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 30.06.16	As at 31.12.15	As at 30.06.16	As at 31.12.15
Net asset per share in sen (RM)	66.43	129.95	28.31	65.70

The Group and Company net asset backing per ordinary share as at 30 June 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 2Q2016, the Group achieved RM156.7 million in total revenue, a 21.5% increase as compared to RM129.0 million in 2Q2015. Cost of sales increased to RM118.5 million in 2Q2016 in line with increase in total revenue. The Group's gross profit dropped marginally by 1.4% from RM38.8 million in 2Q2015 to RM38.2 million in 2Q2016. The Group's gross profit margin came down from 30.1% to 24.4% due to fluctuation in raw material prices and foreign currency rates.

The Group's other income increased by 12.7% to RM0.4 million in 2Q2016 mainly due to higher interest income.

Selling and distribution expenses increased by RM0.5 million or 15.7% from RM3.0 million in 2Q2015 to RM3.5 million in 2Q2016 due to the increase in sales activities.

General and administrative expenses increased by 6.3% year-on-year (yoy) to RM5.5 million in 2Q2016 mainly due to increase in payroll cost.

Other operating income increased from RM1.3 million in 2Q2015 to RM2.1 million in 2Q2016 mainly due to higher net foreign exchange gain.

The Group's effective tax rate was lower when compared to 2Q2015 due to availability of higher reinvestment allowance claimable by the Group.

Overall yoy in 2Q2016, the Group's profit before tax reduced by 1.6 % to RM31.7 million and profit after tax increased by 1.2% to RM27.3 million.

b) BALANCE SHEET REVIEW

As at 30 June 2016, non-current assets which consist of Property, plant and equipment (PPE), other asset and deferred tax asset, increased to RM313.3 million from RM286.3 million. PPE increased to RM300.4 million from RM276.7 million mainly on acquisition amounted to RM39.1 million coupled with foreign exchange adjustment of RM0.8 million offset by the depreciation charge and PPE written off/ disposal of RM14.1 million and RM0.5 million respectively. Other asset as at 30 June 2016 was at RM5.8 million for the purchase of a piece of land with landfill costs. The deferred tax asset increased to RM7.2 million mainly due to the availability of reinvestment allowances.

Current assets for the Group reduced by RM20.4 million mainly attributable to a decrease in cash and cash equivalents from RM128.7 million as at 31 December 2015 to RM98.9 million as at 30 June 2016. For the 2Q2016, the Group generated RM40.7 million in net cash flows from operating activities and net cash flows used in investing activities amounted to RM27.8 million were for the purchase of PPE. The Group has net cash flows used in financing activities in 2Q2016 amounted to RM38.9 million due to payment of dividends.

Trade receivables increased by RM6.4 million from RM103.1 million as at 31 December 2015 to RM109.5 million as at 30 June 2016 whereas the inventories level decreased from RM61.2 million as at 31 December 2015 to RM60.5 million as at 30 June 2016 mainly due to increase in sales activities. Other receivables increased to RM6.2 million as at 30 June 2016 from RM4.9 million contributed by Goods and Services Tax refundable.

Current liabilities declined to RM87.5 million as at 30 June 2016 from RM92.1 million as at 31 December 2015 due to lower payables and accruals from RM84.4 million as at 31 December 2015 to RM80.0 million as at 30 June 2016 and decrease in provision for taxation from RM7.6 million as at 31 December 2015 to RM7.5 million as at 30 June 2016.

Non-current liabilities increased to RM12.2 million as at 30 June 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.**

Our Group's phase 3 expansion plan in Taiping, Perak, Malaysia has progressed well. 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

The Board has recommended to pay a one-tier tax exempt interim dividend of 1.30 sen (RM) per ordinary share for the financial year ending 31 December 2016.

(b) Corresponding period of the immediately preceding financial year

Yes

Name of Dividend	Interim Tax Exempt Dividend
Dividend Type	Cash
Dividend amount per Share (in sen)	2.40 [#] sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

[#] The Interim Tax Exempt Dividend was paid to ordinary share capital of 371,226,025 prior to Bonus Shares allotted and issued on 1 February 2016.

(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

The dividend will be a one-tier tax exempt dividend and will not be taxable in the hands of shareholders in Singapore.

(d) The date the dividend is payable.

To be determined

(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.

To be determined

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable

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 second quarter ended 30 June 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

11 August 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.