

## UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 &amp; 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		Increase / (decrease)
	1Q2018	1Q2017	
	1 Jan 2018 to 31 Mar 2018	1 Jan 2017 to 31 Mar 2017	
	RM'000	RM'000	%
Revenue	209,820	205,713	2.0%
Cost of sales	(162,958)	(153,937)	5.9%
<b>Gross profit</b>	<b>46,862</b>	<b>51,776</b>	(9.5%)
Other income	969	546	77.5%
Selling and distribution expenses	(3,884)	(3,800)	2.2%
General and administrative expenses	(5,502)	(6,915)	(20.4%)
Other operating expenses	(2,509) #	(2,223) #	12.9%
Finance costs	(253)	(178)	42.1%
<b>Profit before taxation</b>	<b>35,683</b>	<b>39,206</b>	(9.0%)
Income tax expense	(4,599)	(5,575)	(17.5%)
<b>Profit after taxation</b>	<b>31,084</b>	<b>33,631</b>	(7.6%)
<b>Profit attributable to:</b>			
Equity holders of the Company	31,084	33,631	(7.6%)
Non-controlling interests	- *	- *	N/M
	<b>31,084</b>	<b>33,631</b>	

Consolidated Statement of Comprehensive Income

	Group		Increase / (decrease)
	1Q2018	1Q2017	
	1 Jan 2018 to 31 Mar 2018	1 Jan 2017 to 31 Mar 2017	
	RM'000	RM'000	%
<b>Profit after taxation</b>	<b>31,084</b>	<b>33,631</b>	(7.6%)
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation (loss) / gain	(1,736)	2,112	(182.2%)
<b>Total comprehensive income</b>	<b>29,348</b>	<b>35,743</b>	(17.9%)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	29,348	35,743	(17.9%)
Non-controlling interests	- *	- *	N/M
	<b>29,348</b>	<b>35,743</b>	

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

	Group		Increase / (decrease)
	1Q2018	1Q2017	
	1 Jan 2018 to 31 Mar 2018	1 Jan 2017 to 31 Mar 2017	
	RM'000	RM'000	%
Depreciation of property, plant and equipment	(10,025)	(8,232)	21.8%
Net foreign exchange loss	(869) #	(5,669) #	(84.7%)
Trade receivables recovered	-	3	(100.0%)
Property, plant and equipment written off	(22)	(6)	266.7%
Loss on disposal of property, plant and equipment	(27)	(61)	(55.7%)
Fair value (loss)/ gain on derivatives	(719) #	4,608 #	(115.6%)
Research and development expenses	(586)	(827)	(29.1%)
Interest income from bank balances	502	426	17.8%
Interest on bank borrowings	(253)	(178)	42.1%

N/M Not Meaningful

\* Denote amount less than RM500

# The net foreign exchange loss and fair value (loss)/ gain on derivatives have been included in other operating expenses

**RIVERSTONE HOLDINGS LIMITED**

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 31.03.18	As at 31.12.17	As at 31.03.18	As at 31.12.17
	RM'000	RM'000	RM'000	RM'000
<b>Non-current assets</b>				
Property, plant and equipment	429,182	419,845	-	-
Investments in subsidiary companies	-	-	193,394	199,486
Deferred tax asset	9,873	9,737	-	-
	<u>439,055</u>	<u>429,582</u>	<u>193,394</u>	<u>199,486</u>
<b>Current assets</b>				
Inventories	76,075	71,131	-	-
Trade receivables	129,066	142,535	-	-
Other receivables	14,483	15,418	19,507	23,337
Prepayments	4,326	2,414	58	27
Tax recoverable	973	973	-	-
Derivatives	1,383	2,101	-	-
Fixed deposits	52,413	29,459	8,653	8,926
Cash at banks and in hand	82,664	84,791	13,902	11,627
	<u>361,383</u>	<u>348,822</u>	<u>42,120</u>	<u>43,917</u>
<b>Current liabilities</b>				
Payables and accruals	94,412	101,631	317	330
Bank borrowings (secured)	6,000	6,000	-	-
Provision for taxation	9,028	7,893	4	6
	<u>109,440</u>	<u>115,524</u>	<u>321</u>	<u>336</u>
<b>Net current assets</b>	<u>251,943</u>	<u>233,298</u>	<u>41,799</u>	<u>43,581</u>
<b>Non-current liabilities</b>				
Bank borrowings (secured)	17,500	19,000	-	-
Employee benefit obligations	247	239	-	-
Deferred tax liabilities	11,287	11,025	-	-
	<u>29,034</u>	<u>30,264</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>	<u>661,964</u>	<u>632,616</u>	<u>235,193</u>	<u>243,067</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	156,337	156,337	156,337	156,337
Treasury shares	(815)	(815)	(815)	(815)
Reserves	506,437	477,089	79,671	87,545
	<u>661,959</u>	<u>632,611</u>	<u>235,193</u>	<u>243,067</u>
<b>Non-controlling interests</b>	5	5	-	-
<b>Total equity</b>	<u>661,964</u>	<u>632,616</u>	<u>235,193</u>	<u>243,067</u>

**RIVERSTONE HOLDINGS LIMITED**

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

	<b>Group</b>	
	<b>As at 31.03.18</b>	<b>As at 31.12.17</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amount repayable in one year or less, or on demand</b>		
Bank borrowings (secured)	<u>6,000</u>	<u>6,000</u>
	<u>6,000</u>	<u>6,000</u>
<b>Amount repayable after one year</b>		
Bank borrowings (secured)	<u>17,500</u>	<u>19,000</u>
	<u>17,500</u>	<u>19,000</u>

The bank borrowings were secured by a corporate guarantee of the Company and a charge over a piece of leasehold land and buildings.

**RIVERSTONE HOLDINGS LIMITED**

**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.**

	<b>Group</b>	
	<b>1Q2018</b> 1 Jan 2018 to 31 Mar 2018	<b>1Q2017</b> 1 Jan 2017 to 31 Mar 2017
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	35,683	39,206
Adjustments for:		
Depreciation of property, plant and equipment	10,025	8,232
Property, plant and equipment written off	22	6
Loss on disposal of property, plant and equipment	27	61
Fair value loss/ (gain) on derivatives	719	(4,608)
Interest expense	253	178
Interest income	(502)	(426)
Operating cash flows before working capital changes	<u>46,227</u>	<u>42,649</u>
Increase in inventories	(4,944)	(14,845)
Decrease in receivables and prepayments	12,492	11,200
(Decrease)/ increase in payables and accruals	(7,219)	4,708
Increase in employee benefit obligations	8	-
Cash flows from operations	<u>46,564</u>	<u>43,712</u>
Income tax paid	(3,338)	(3,610)
Interest paid	(253)	(178)
Interest received	502	426
Net cash flows from operating activities	<u><b>43,475</b></u>	<u><b>40,350</b></u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	16	659
Purchase of property, plant and equipment	(19,502)	(23,219)
Net cash flows used in investing activities	<u><b>(19,486)</b></u>	<u><b>(22,560)</b></u>
<b>Cash flows from financing activities</b>		
Proceeds from term loans	-	30,000
Repayment of bank borrowings	(1,500)	(500)
Net cash flows used in financing activities	<u><b>(1,500)</b></u>	<u><b>29,500</b></u>
Net increase in cash and cash equivalents	22,489	47,290
Effect of foreign currency exchange rates	(1,662)	1,764
Cash and cash equivalents at beginning of period	114,250	103,195
Cash and cash equivalents at end of period	<u><b>135,077</b></u>	<u><b>152,249</b></u>
<b>Cash and cash equivalents comprise the followings at end of the financial period</b>		
Fixed deposits	52,413	62,209
Cash at banks and in hand	82,664	90,040
Cash and cash equivalent at end of the financial period	<u><b>135,077</b></u>	<u><b>152,249</b></u>

- 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
<b>GROUP</b>							
<b>1Q2017</b>							
<b>Balance at 1 January 2017</b>	156,337	(815)	436,331	(37,350)	398,981	5	554,508
Total comprehensive income for the period	-	-	33,631	2,112	35,743	- *	35,743
Issuance of ordinary shares upon the exercise of warrants	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>156,337</b>	<b>(815)</b>	<b>469,962</b>	<b>(35,238)</b>	<b>434,724</b>	<b>5</b>	<b>590,251</b>
<b>1Q2018</b>							
<b>Balance at 1 January 2018</b>	156,337	(815)	515,843	(38,754)	477,089	5	632,616
Total comprehensive income for the period	-	-	31,084	(1,736)	29,348	- *	29,348
Issuance of ordinary shares upon the exercise of warrants	-	-	-	-	-	-	-
<b>Balance at 31 March 2018</b>	<b>156,337</b>	<b>(815)</b>	<b>546,927</b>	<b>(40,490)</b>	<b>506,437</b>	<b>5</b>	<b>661,964</b>

\* Denote amount less than RM500

<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
<b>1Q2017</b>						
<b>Balance at 1 January 2017</b>	156,337	(815)	40,553	49,666	90,219	245,741
Total comprehensive income for the period	-	-	(330)	5,164	4,834	4,834
Issuance of ordinary shares upon the exercise of warrants	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>156,337</b>	<b>(815)</b>	<b>40,223</b>	<b>54,830</b>	<b>95,053</b>	<b>250,575</b>
<b>1Q2018</b>						
<b>Balance at 1 January 2018</b>	156,337	(815)	42,239	45,306	87,545	243,067
Total comprehensive income for the period	-	-	(457)	(7,417)	(7,874)	(7,874)
Issuance of ordinary shares upon the exercise of warrants	-	-	-	-	-	-
<b>Balance at 31 March 2018</b>	<b>156,337</b>	<b>(815)</b>	<b>41,782</b>	<b>37,889</b>	<b>79,671</b>	<b>235,193</b>

- 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 period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period 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 2017</b>	<u>742,452,050</u>	<u>156,337</u>
<b>As at 31 March 2018</b>	<u>742,452,050</u>	<u>156,337</u>

As at 31 March 2018, the Company held 1,368,000 of its issued shares as treasury shares (31 December 2017: 1,368,000).

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 31.03.18	As at 31.12.17
Total number of issued shares	742,452,050	742,452,050
Less: Treasury shares	<u>(1,368,000)</u>	<u>(1,368,000)</u>
Total number of issued shares excluding treasury shares	<u>741,084,050</u>	<u>741,084,050</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.

- 1 (d) (v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/ or use of subsidiary holdings as at the end of the current financial period reported on.

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 2017.

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 2018.

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	
	1Q2018	1Q2017
Earnings per share ("EPS") in sen (RM)		
a) Basic	4.19	4.54
b) On a fully diluted basis	4.19	4.54

Earnings per share for the first quarter ended 31 March 2018 is calculated based on profit from ordinary activities after taxation of RM31.1 million divided by weighted average of 741.1 million number of ordinary shares in issue. As for comparative, earnings per share for the first quarter ended 31 March 2017 is calculated based on profit from ordinary activities after taxation of RM33.6 million divided by weighted average of 741.1 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 31.03.18	As at 31.12.17	As at 31.03.18	As at 31.12.17
Net asset per share in sen (RM)	89.32	85.36	31.74	32.80

The Group and Company net asset backing per ordinary share as at 31 March 2018 and 31 December 2017 are calculated based on 741.1 million ordinary shares in issue excluding treasury shares.



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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 1Q2018, the Group achieved RM209.8 million in total revenue, a 2.0% increase as compared to RM205.7 million in 1Q2017. Cost of sales increased to RM163.0 million in 1Q2018 in line with increase in total revenue. The Group's gross profit declined by 9.5% from RM51.8 million in 1Q2017 to RM46.9 million in 1Q2018. The Group's gross profit margin came down from 25.2% to 22.3% due to adverse foreign exchange conditions which resulted in a lower average selling price in terms of Ringgit Malaysia (RM).

The Group's other income increased to RM1.0 million in 1Q2018 mainly due to higher interest income and insurance claim.

Selling and distribution expenses increased by 2.2% year-on-year (yoy) to RM3.9 million in 1Q2018 mainly due to increase in marketing expenses.

General and administrative expenses decreased by 20.4% to RM5.5 million yoy mainly due to a reduction in performance incentives.

Other operating expenses of RM2.5 million in 1Q2018 increased by 12.9% yoy. The increase was mainly due to the foreign exchange losses and fair value losses on derivatives.

The Group's effective tax rate was at 12.9% due to availability of tax incentives. Income tax expenses decreased to RM4.6 million as a result of lower taxable income.

Overall for the 1Q2018, the Group's profit before tax reduced by 9.0 % to RM35.7 million and profit after tax decreased by 7.6% to RM31.1 million when compared to 1Q2017.

### b) BALANCE SHEET REVIEW

As at 31 March 2018, non-current assets which consist of Property, plant and equipment (PPE) and deferred tax asset, increased to RM439.1 million from RM429.6 million. PPE increased to RM429.2 million from RM419.8 million mainly on acquisition of RM19.5 million coupled with foreign exchange adjustment of RM0.1 million offset by the depreciation charge and PPE written off/disposals of RM10.0 million and RM0.1 million respectively. The deferred tax asset increased by RM0.1 million to RM9.9 million mainly due to the availability of reinvestment allowances.

Inventories increased from RM71.1 million to RM76.1 million as at 31 March 2018 mainly due to higher sales volume. Trade receivables reduced by RM13.5 million and other receivables decreased to RM14.5 million as at 31 March 2018 as a result of better collection. Prepayments increased from RM2.4 million to RM4.3 million as at 31 March 2018 mainly due to prepayment of Malaysian government levy for foreign workers.

Cash and cash equivalents increased to RM135.1 million as at 31 March 2018 from RM114.3 million as at 31 December 2017. For the 1Q2018, the Group generated RM43.5 million in net cash flows from operating activities and net cash flows used in investing activities amounting to RM19.5 million were mainly for the purchase of PPE. The Group has net cash flows used in financing activities in 1Q2018 amounting to RM1.5 million for the repayment of bank borrowings.

Current liabilities reduced to RM109.4 million as at 31 March 2018 from RM115.5 million as at 31 December 2017. This was mainly due to lower payables and accruals from RM101.6 million as at 31 December 2017 to RM94.4 million as at 31 March 2018. Provision for taxation was RM9.0 million as at 31 March 2018, increased from RM7.9 million as at 31 December 2017.

Non-current liabilities declined to RM29.0 million as at 31 March 2018 from RM30.3 million due mainly to a reduction in bank borrowings of RM1.5 million.

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

Not applicable

## RIVERSTONE HOLDINGS LIMITED

- 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.**

Phase 5 expansion plan is progressively being carried out in Taiping, Perak, Malaysia. By the end of December 2018 our Group will have a total annual production capacity of 9.0 billion gloves.

In addition, the Group has plans to add another 1.4 billion pieces of gloves by the end of 2019 as Phase 6, giving the Group a total annual production capacity of 10.4 billion pieces of gloves. Further details will be announced in due course.

The foreign currency fluctuations particularly in US Dollars, volatile raw material prices, increase in overall production costs and competition from the other glove manufacturers remain challenging for the Group.

- 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 2018.

- 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 first quarter ended 31 March 2018 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

08 May 2018

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.