

Company Registration No. 200510666D

Riverstone Holdings Limited

Condensed Interim Consolidated Financial Statements
For the third quarter and nine months ended 30 September 2024

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Riverstone Holdings Limited and Subsidiary Companies

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		3Q2024	3Q2023	9M2024	9M2023
		1 Jul	1 Jul	1 Jan	1 Jan
		2024	2023	2024	2023
		to	to	to	to
	Note	30 Sep	30 Sep	30 Sep	30 Sep
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Revenue	4	298,435	222,801	794,790	684,962
Cost of sales		(194,822)	(145,017)	(494,484)	(480,405)
Gross profit		103,613	77,784	300,306	204,557
Other income		7,021	7,817	21,968	23,426
Selling and distribution expenses		(4,355)	(3,635)	(12,128)	(10,928)
General and administrative expenses		(9,253)	(8,123)	(29,255)	(23,469)
Other operating (expenses)/ income – net		(6,617)	(313)	(6,740)	1,191
Operating profit		90,409	73,530	274,151	194,777
Finance costs		(9)	(17)	(37)	(17)
Profit before taxation	6	90,400	73,513	274,114	194,760
Income tax expense	7	(18,200)	(14,246)	(57,226)	(41,910)
Profit for the financial period		72,200	59,267	216,888	152,850
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation (loss)/ gain		(39,855)	(3,818)	(41,785)	18,500
Other comprehensive income for the financial period		(39,855)	(3,818)	(41,785)	18,500
Total comprehensive income for the financial period		32,345	55,449	175,103	171,350
Profit attributable to:					
Equity holders of the Company		72,200	59,266	216,888	152,850
Non-controlling interests		– ⁽¹⁾	1	– ⁽¹⁾	– ⁽¹⁾
		72,200	59,267	216,888	152,850
Total comprehensive income attributable to:					
Equity holders of the Company		32,345	55,448	175,103	171,350
Non-controlling interests		– ⁽¹⁾	1	– ⁽¹⁾	– ⁽¹⁾
		32,345	55,449	175,103	171,350
Earnings per share					
Basic (sen)		4.87	4.00	14.63	10.31
Diluted (sen)		4.87	4.00	14.63	10.31

⁽¹⁾ Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiary Companies

B. Condensed interim statements of financial position

	Note	Group		Company	
		30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Non-current assets					
Property, plant and equipment	11	727,029	726,026	–	–
Investments in subsidiaries		–	–	210,526	228,563
Deferred tax assets		1,151	1,101	–	–
		<u>728,180</u>	<u>727,127</u>	<u>210,526</u>	<u>228,563</u>
Current assets					
Inventories		106,741	83,183	–	–
Trade receivables		155,762	128,001	–	–
Other receivables		4,186	5,632	1,254	2,208
Prepayments		2,223	4,272	113	60
Derivatives	10	8,570	1,540	–	–
Cash and cash equivalents		790,083	875,433	418,567	404,742
		<u>1,067,565</u>	<u>1,098,061</u>	<u>419,934</u>	<u>407,010</u>
Total assets		<u>1,795,745</u>	<u>1,825,188</u>	<u>630,460</u>	<u>635,573</u>
Current liabilities					
Payables and accruals		101,944	71,525	428	490
Amount due to a subsidiary company		–	–	167	–
Lease liabilities	12	426	495	–	–
Contract liabilities		–	628	–	–
Provision for taxation		21,690	11,940	–	2,240
		<u>124,060</u>	<u>84,588</u>	<u>595</u>	<u>2,730</u>
Net current assets		<u>943,505</u>	<u>1,013,473</u>	<u>419,339</u>	<u>404,280</u>
Non-current liabilities					
Lease liabilities	12	159	523	–	–
Employee benefit obligations		946	930	–	–
Deferred tax liabilities		58,470	57,583	–	–
		<u>59,575</u>	<u>59,036</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>183,635</u>	<u>143,624</u>	<u>595</u>	<u>2,730</u>
Net assets		<u>1,612,110</u>	<u>1,681,564</u>	<u>629,865</u>	<u>632,843</u>

Riverstone Holdings Limited and Subsidiary Companies

B. Condensed interim statements of financial position (cont'd)

	Note	Group		Company	
		30	31	30	31
		September 2024 RM'000	December 2023 RM'000	September 2024 RM'000	December 2023 RM'000
Equity attributable to owners of the Company					
Share capital	13	156,337	156,337	156,337	156,337
Treasury shares		(815)	(815)	(815)	(815)
Reserves		1,456,585	1,526,039	474,343	477,321
		1,612,107	1,681,561	629,865	632,843
Non-controlling interests		3	3	–	–
Total equity		1,612,110	1,681,564	629,865	632,843
Total equity and liabilities		1,795,745	1,825,188	630,460	635,573

Riverstone Holdings Limited and Subsidiary Companies

C. Condensed interim statements of changes in equity

Group	Attributable to equity holders of the Company				Total reserves RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital (Note 13) RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves RM'000			
2024							
Balance at 1 January 2024	156,337	(815)	1,535,039	(9,000)	1,526,039	3	1,681,564
Profit for the financial period	–	–	216,888	–	216,888	– ⁽¹⁾	216,888
Other comprehensive income for the financial period	–	–	–	(41,785)	(41,785)	–	(41,785)
Total comprehensive income for financial period	–	–	216,888	(41,785)	175,103	– ⁽¹⁾	175,103
Dividends (Note 8)	–	–	(244,557)	–	(244,557)	–	(244,557)
Balance at 30 September 2024	156,337	(815)	1,507,370	(50,785)	1,456,585	3	1,612,110
2023							
Balance at 1 January 2023	156,337	(815)	1,729,668	(32,265)	1,697,403	4	1,852,929
Profit for the financial period	–	–	152,850	–	152,850	– ⁽¹⁾	152,850
Other comprehensive income for the financial period	–	–	–	18,500	18,500	–	18,500
Total comprehensive income for financial period	–	–	152,850	18,500	171,350	– ⁽¹⁾	171,350
Dividends (Note 8)	–	–	(266,790)	–	(266,790)	–	(266,790)
Balance at 30 September 2023	156,337	(815)	1,615,728	(13,765)	1,601,963	4	1,757,489

⁽¹⁾ Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiary Companies

C. Condensed interim statements of changes in equity (cont'd)

Group	Attributable to equity holders of the Company				Total reserves RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital (Note 13) RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves RM'000			
2024							
Balance at 1 July 2024	156,337	(815)	1,435,170	(10,930)	1,424,240	3	1,579,765
Profit for the financial period	–	–	72,200	–	72,200	– ⁽¹⁾	72,200
Other comprehensive income for the financial period	–	–	–	(39,855)	(39,855)	–	(39,855)
Total comprehensive income for financial period	–	–	72,200	(39,855)	32,345	– ⁽¹⁾	32,345
Balance at 30 September 2024	156,337	(815)	1,507,370	(50,785)	1,456,585	3	1,612,110
2023							
Balance at 1 July 2023	156,337	(815)	1,556,462	(9,947)	1,546,515	3	1,702,040
Profit for the financial period	–	–	59,266	–	59,266	1	59,267
Other comprehensive income for the financial period	–	–	–	(3,818)	(3,818)	–	(3,818)
Total comprehensive income for financial period	–	–	59,266	(3,818)	55,448	1	55,449
Balance at 30 September 2023	156,337	(815)	1,615,728	(13,765)	1,601,963	4	1,757,489

⁽¹⁾ Denotes amounts less than RM500.

Riverstone Holdings Limited and Subsidiary Companies

C. Condensed interim statements of changes in equity (cont'd)

Company	Share capital (Note 13) RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves RM'000	Total reserves RM'000	Total equity RM'000
2024						
Balance at 1 January 2024	156,337	(815)	381,320	96,001	477,321	632,843
Profit for the financial period	–	–	295,213	–	295,213	295,213
Other comprehensive income for the financial period	–	–	–	(53,634)	(53,634)	(53,634)
Total comprehensive income for the financial period	–	–	295,213	(53,634)	241,579	241,579
Dividends (Note 8)	–	–	(244,557)	–	(244,557)	(244,557)
Balance at 30 September 2024	156,337	(815)	431,976	42,367	474,343	629,865
2023						
Balance at 1 January 2023	156,337	(815)	407,104	63,423	470,527	626,049
Profit for the financial period	–	–	284,168	–	284,168	284,168
Other comprehensive income for the financial period	–	–	–	26,476	26,476	26,476
Total comprehensive income for the financial period	–	–	284,168	26,476	310,644	310,644
Dividends (Note 8)	–	–	(266,790)	–	(266,790)	(266,790)
Balance at 30 September 2023	156,337	(815)	424,482	89,899	514,381	669,903

Riverstone Holdings Limited and Subsidiary Companies

C. Condensed interim statements of changes in equity (cont'd)

Company	Share capital (Note 13) RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves RM'000	Total reserves RM'000	Total equity RM'000
2024						
Balance at 1 July 2024	156,337	(815)	248,207	95,109	343,316	498,838
Profit for the financial period	–	–	183,769	–	183,769	183,769
Other comprehensive income for the financial period	–	–	–	(52,742)	(52,742)	(52,742)
Total comprehensive income for the financial period	–	–	183,769	(52,742)	131,027	131,027
Balance at 30 September 2024	156,337	(815)	431,976	42,367	474,343	629,865
2023						
Balance at 1 July 2023	156,337	(815)	380,809	93,469	474,278	629,800
Profit for the financial period	–	–	43,673	–	43,673	43,673
Other comprehensive income for the financial period	–	–	–	(3,570)	(3,570)	(3,570)
Total comprehensive income for the financial period	–	–	43,673	(3,570)	40,103	40,103
Balance at 30 September 2023	156,337	(815)	424,482	89,899	514,381	669,903

Riverstone Holdings Limited and Subsidiary Companies

D. Condensed interim consolidated statement of cash flows

	Group			
	3Q2024 1 Jul 2024 to 30 Sep 2024 RM'000	3Q2023 1 Jul 2023 to 30 Sep 2023 RM'000	9M2024 1 Jan 2024 to 30 Sep 2024 RM'000	9M2023 1 Jan 2023 to 30 Sep 2023 RM'000
Cash flows from operating activities				
Profit before taxation	90,400	73,513	274,114	194,760
Adjustments for:				
Depreciation of property, plant and equipment	16,014	15,050	47,847	45,101
Property, plant and equipment written off	11	21	68	54
(Gain)/ loss on disposal of property, plant and equipment	(6)	(31)	1	(85)
Fair value (gain)/ loss on derivatives	(9,060)	(256)	(7,470)	1,987
Interest expense	9	17	37	17
Interest income	(6,558)	(7,238)	(20,882)	(22,275)
Foreign exchange differences	(5,621)	1,296	(9,887)	2,560
Operating cash flows before working capital changes	85,189	82,372	283,828	222,119
Decrease/ (increase) in inventories	7,986	6,993	(23,558)	7,613
Increase in receivables and prepayments	(6,699)	(6,228)	(24,266)	(9,967)
Increase in employee benefit obligations	15	1	16	64
Increase/ (decrease) in payables, accruals and contract liabilities	29,148	1,497	29,791	(16,220)
Cash flows generated from operations	115,639	84,635	265,811	203,609
Interest paid	(9)	(17)	(37)	(17)
Interest received	6,558	7,238	20,882	22,275
Income tax paid	(22,039)	(23,646)	(46,639)	(59,772)
Net cash flows generated from operating activities	100,149	68,210	240,017	166,095
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	12	168	76	241
Purchase of property, plant and equipment	(37,850)	(11,998)	(49,668)	(30,363)
Net cash flows used in investing activities	(37,838)	(11,830)	(49,592)	(30,122)
Cash flows from financing activities				
Payment of principal portion of lease liabilities	(108)	(277)	(368)	(571)
Dividends paid	–	–	(244,557)	(266,790)
Net cash flows used in financing activities	(108)	(277)	(244,925)	(267,361)

Riverstone Holdings Limited and Subsidiary Companies

D. Condensed interim consolidated statement of cash flows (cont'd)

	Group			
	3Q2024	3Q2023	9M2024	9M2023
	1 Jul	1 Jul	1 Jan	1 Jan
	2024	2023	2024	2023
	to	to	to	to
	30 Sep	30 Sep	30 Sep	30 Sep
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Net increase/ (decrease) in cash and cash equivalents	62,203	56,103	(54,500)	(131,388)
Effect of foreign currency exchange rates	(33,297)	(4,592)	(30,850)	15,871
Cash and cash equivalents at beginning of financial period	761,177	899,033	875,433	1,066,061
Cash and cash equivalents at end of the financial period	790,083	950,544	790,083	950,544

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Riverstone Holdings Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the nine months ended 30 September 2024 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out as below:

Name of company (Country of incorporation)	Principal activities
(1) Riverstone Resources Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots
Riverstone Cleanroom Products Sdn Bhd Formerly known as Riverstone Industrial Products Sdn Bhd (Malaysia)	Manufacturer of plastic bags and trader in latex products
(2) Eco Medi Glove Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots
Eco Star Glove Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots
Protective Technology Co. Ltd (Thailand)	Manufacturer and distributor of cleanroom gloves
Riverstone Resources (S) Pte Ltd (Singapore)	Distributor of cleanroom products

(1) Subsidiary company held by Riverstone Resources Sdn Bhd:

Name of company (Country of incorporation)	Principal activities
Riverstone Resources (Wuxi) Co. Ltd (People's Republic of China)	Processing and packing of cleanroom gloves

(2) Subsidiary company held by Eco Medi Glove Sdn Bhd:

Name of company (Country of incorporation)	Principal activities
Eco Medi Glove Products (Shenzhen) Co. Ltd (People's Republic of China)	Distributor of cleanroom and medical glove products

2. Basis of preparation

The condensed interim consolidated financial statements for the nine months ended 30 September 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Malaysian Ringgit (“RM”) and all values are rounded to the nearest thousand (“RM’000”), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

4. Segment information

The management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas: Malaysia, Thailand and China. All geographic locations are engaged in the manufacture and sale of gloves and non-glove consumables such as finger cots, static shielding bags, face masks, wipers and packaging materials.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-segment pricing, if any, is determined on an arm's length basis. Segment revenue, expenses and results include transfers between segments. These transfers are eliminated on consolidation.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets which are expected to be used for more than one period.

(a) *Geographical information*

	Malaysia	Thailand	China	Others	Eliminations	Total
1 July 2024 to 30 September 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	267,148	12,761	12,954	5,572	–	298,435
Inter segment	30,661	19,469	771	183,109 ⁽¹⁾	(234,010)	–
Total revenue	297,809	32,230	13,725	188,681	(234,010)	298,435
Results:						
Segment result	71,614	15,541	1,012	186,285	(184,043)	90,409
Finance costs	–	–	(9)	–	–	(9)
Profit before taxation	71,614	15,541	1,003	186,285	(184,043)	90,400
Income tax expense	(13,256)	(2,818)	(254)	(1,425)	(447)	(18,200)
Total profit	58,358	12,723	749	184,860	(184,490)	72,200
Assets and liabilities:						
Segment assets	1,342,020	31,408	28,161	441,431	(47,275)	1,795,745
Segment liabilities	196,137	10,513	3,253	2,944	(29,212)	183,635
Other segment information:						
Additions to non-current assets	37,676	151	15	8	–	37,850

⁽¹⁾ Includes dividend income from subsidiaries.

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

4. Segment information (cont'd)

(a) *Geographical information (cont'd)*

	Malaysia	Thailand	China	Others	Eliminations	Total
1 July 2023 to 30 September 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	197,525	9,922	11,224	4,130	–	222,801
Inter segment	18,493	14,324	898	41,008 ⁽¹⁾	(74,723)	–
Total revenue	216,018	24,246	12,122	45,138	(74,723)	222,801
Results:						
Segment result	57,646	13,379	730	44,559	(42,784)	73,530
Finance costs	–	–	(17)	–	–	(17)
Profit before taxation	57,646	13,379	713	44,559	(42,784)	73,513
Income tax expense	(11,011)	(2,150)	(174)	–	(911)	(14,246)
Total profit	46,635	11,229	539	44,559	(43,695)	59,267
Assets and liabilities:						
Segment assets	1,381,360	48,050	30,348	465,182	(32,818)	1,892,122
Segment liabilities	132,207	7,274	2,557	3,559	(10,964)	134,633
Other segment information:						
Additions to non-current assets	11,788	208	(2)	–	–	11,994

(1) Includes dividend income from subsidiaries.

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

4. Segment information (cont'd)

(a) *Geographical information (cont'd)*

	Malaysia	Thailand	China	Others	Eliminations	Total
1 January 2024 to 30 September 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	709,894	34,738	35,251	14,907	–	794,790
Inter segment	78,495	57,832	2,452	293,890 ⁽¹⁾	(432,669)	–
Total revenue	788,389	92,570	37,703	308,797	(432,669)	794,790
Results:						
Segment result	217,078	50,171	1,830	303,066	(297,994)	274,151
Finance costs	–	–	(37)	–	–	(37)
Profit before taxation	217,078	50,171	1,793	303,066	(297,994)	274,114
Income tax expense	(41,930)	(8,961)	(507)	(4,928)	(900)	(57,226)
Total profit	175,148	41,210	1,286	298,138	(298,894)	216,888
Assets and liabilities:						
Segment assets	1,342,020	31,408	28,161	441,431	(47,275)	1,795,745
Segment liabilities	196,137	10,513	3,253	2,944	(29,212)	183,635
Other segment information:						
Additions to non-current assets	49,114	221	325	8	–	49,668

(1) Includes dividend income from subsidiaries.

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

4. Segment information (cont'd)

(a) **Geographical information (cont'd)**

	Malaysia	Thailand	China	Others	Eliminations	Total
1 January 2023 to 30 September 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External	607,465	33,019	30,710	13,768	–	684,962
Inter segment	95,794	41,054	2,387	280,012 ⁽¹⁾	(419,247)	–
Total revenue	703,259	74,073	33,097	293,780	(419,247)	684,962
Results:						
Segment result	160,442	41,049	2,519	291,218	(300,451)	194,777
Finance costs	–	–	(17)	–	–	(17)
Profit before taxation	160,442	41,049	2,502	291,218	(300,451)	194,760
Income tax expense	(32,606)	(6,139)	(622)	(4,189)	1,646	(41,910)
Total profit	127,836	34,910	1,880	287,029	(298,805)	152,850
Assets and liabilities:						
Segment assets	1,381,360	48,050	30,348	465,182	(32,818)	1,892,122
Segment liabilities	132,207	7,274	2,557	3,559	(10,964)	134,633
Other segment information:						
Additions to non-current assets	30,128	231	1,580	–	–	31,939

(1) Includes dividend income from subsidiaries.

(b) **Business information**

The Group predominantly manufactures and sells gloves. It is not meaningful to show the total assets employed and capital expenditure by business activities as the assets and liabilities are generally shared and not identifiable by business segments.

	Gloves	Others	Total
	RM'000	RM'000	RM'000
Revenue:			
Sales to external customers			
- 3 rd quarter ended 30 September 2024	293,232	5,203	298,435
- 3 rd quarter ended 30 September 2023	219,038	3,763	222,801
- 9 months ended 30 September 2024	779,411	15,379	794,790
- 9 months ended 30 September 2023	673,205	11,757	684,962

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2024 and 31 December 2023:

	Group		Company	
	30	31	30	31
	September	December	September	December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Financial Assets:				
Financial assets at fair value through profit or loss (FVPL)	8,570	1,540	–	–
Cash and cash equivalents, trade receivables and other receivables (Amortised cost)	949,799	1,008,563	419,821	406,950
	<u>958,369</u>	<u>1,010,103</u>	<u>419,821</u>	<u>406,950</u>
	Group		Company	
	30	31	30	31
	September	December	September	December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Financial Liabilities:				
Payables and accruals and lease liabilities (Amortised cost)	102,529	72,543	428	490
	<u>102,529</u>	<u>72,543</u>	<u>428</u>	<u>490</u>

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

6. Profit before taxation

6.1 Significant items

	Group			
	3 rd quarter ended 30 September 2024 RM'000	3 rd quarter ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
Income				
Interest income from bank balances	6,558	7,238	20,882	22,275
Expenses				
Interest expenses	9	17	37	17
Depreciation of property, plant and equipment	16,014	15,050	47,847	45,101
Net foreign exchange loss/ (gain) – net	14,768	(247)	11,410	(5,507)
Fair value (gain)/ loss on derivatives	(9,060)	(256)	(7,470)	1,987
Property, plant and equipment written off	11	21	68	54
(Gain)/ loss on disposal of property, plant and equipment	(6)	(31)	1	(85)

6.2 Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and its related parties took place on terms agreed between the parties during the financial period.

	Group			
	3 rd Quarter ended 30 September 2024 RM'000	3 rd Quarter ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
Other related parties:				
Purchases of repair and maintenance services	–	(1)	13	29
Purchases of plant and equipment	314	–	401	7

Other related parties comprise companies in which the major shareholder is a close family member of certain directors of the Company.

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

6. Profit before taxation (cont'd)

6.2 Related party transactions (cont'd)

(b) *Compensation of key management personnel*

	Group			
	3 rd Quarter ended 30 September 2024 RM'000	3 rd Quarter ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
Directors' fee	216	190	665	559
Short term benefits	1,167	1,139	3,537	3,369
Central Provident Fund contributions	92	95	286	295
Performance incentive scheme	232	1,624	3,536	4,001
	1,707	3,048	8,024	8,224
Comprise amounts paid to:				
- Directors of the Company	1,707	2,187	6,311	5,673
- Other key management personnel	–	861	1,713	2,551
	1,707	3,048	8,024	8,224

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on approved terms and conditions.

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	3rd Quarter ended 30 September 2024 RM'000	3rd Quarter ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
Current income tax expense	17,664	13,158	56,181	43,147
Under/ (over) provision in respect of prior years	116	(170)	221	(171)
Deferred income tax expense relating to origination and reversal of temporary difference	420	1,258	824	(1,066)
	18,200	14,246	57,226	41,910

8. Dividends

	Group and Company	
	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
Special interim exempt (one-tier) dividend for 2023: 5.00 sen (2022: 8.00 sen) per ordinary share	74,108	118,574
Final exempt (one-tier) dividend for 2023: 7.50 sen (2022: 10.00 sen) per ordinary share	111,162	148,216
Interim exempt (one-tier) dividend for 2024: 4.00 sen (2023: NIL) per ordinary share	59,287	–

9. Net asset value

	Group		Company	
	30 September 2024 RM	31 December 2023 RM	30 September 2024 RM	31 December 2023 RM
Net asset value per ordinary share	1.09	1.13	0.43	0.43

10. Fair value of financial instruments

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(a) **Asset measured at fair value**

The following table shows an analysis of asset measured at fair value by level at the respective reporting period:

	Group Significant observable inputs other than quoted prices (Level 2)	
	30 September 2024 RM'000	31 December 2023 RM'000
Financial assets:		
<u>Derivatives (Note 5)</u>		
- Forward currency contracts	8,570	1,540

Level 2 fair value

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward rate curves.

(b) **Fair value of financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value**

The carrying amounts of current trade and other receivables, cash and cash equivalents, payables and accruals and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Riverstone Holdings Limited and Subsidiary Companies

E. Notes to the condensed interim consolidated financial statements

11. Property, plant and equipment

During the nine months ended 30 September 2024, the Group acquired assets amounting to RM49,668,000 (30 September 2023: RM31,939,000) and disposed of assets amounting to RM77,000 (30 September 2023: RM156,000).

12. Lease liabilities

The lease liabilities are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

	Group	
	30 September 2024	31 December 2023
	RM'000	RM'000
Amount repayable within one year		
Lease liabilities	426	495
Amount repayable after one year		
Lease liabilities	159	523
Total lease liabilities	585	1,018

13. Share capital

	Group and Company			
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	No. of shares	No. of shares	RM'000	RM'000
At 1 January	1,484,904,100	1,484,904,100	156,337	156,337
Shares issued during the year	–	–	–	–
At 30 September/ 31 December	1,484,904,100	1,484,904,100	156,337	156,337

As at 30 September 2024, the Company held 2,736,000 of its issued shares as treasury shares (31 December 2023: 2,736,000).

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2024 and 31 December 2023.

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Riverstone Holdings Limited and Subsidiary Companies as at 30 September 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine months period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2a Income Statement Review

For 3Q2024, the Group achieved RM298.4 million in total revenue, a 33.9% increase as compared to RM222.8 million in 3Q2023. Cost of sales increased to RM194.8 million in 3Q2024, a 34.3% increase. The Group's gross profit up 33.2% from RM77.8 million in 3Q2023 to RM103.6 million in 3Q2024. Group's gross profit dropped marginally from 34.9% to 34.7% due to higher cost of sales.

The Group's other income reduced by 10.2% to RM7.0 million in 3Q2024. These are mainly due to interest income from lower balance of fixed deposits.

Selling and distribution expenses increased by 19.8% in 3Q2024 mainly due to increasing sales activities.

General and administrative expenses increased by 13.9% to RM9.3 million in 3Q2024 mainly due to increase in staff costs.

In 3Q2024, other operating expenses increased to RM6.6 million mainly due to net foreign exchange loss.

The Group's effective tax rate was lower at 20.9% in 9M2024 compared to 21.5% in 9M2023 due to higher reinvestment allowances recognised in 9M2024. In 3Q2024, income tax expense increased to RM18.2 million as a result of higher taxable income.

Overall in 3Q2024, the Group's profit before taxation and profit after taxation increased by 23.0% to RM90.4 million and 21.8% to RM72.2 million respectively.

2b Balance Sheet Review

As at 30 September 2024, non-current assets which consist of property, plant and equipment (PPE) and deferred tax assets, increased to RM728.2 million from RM727.1 million. PPE increased to RM727.0 million from RM726.0 million mainly on additions amounting to RM49.7 million coupled with foreign exchange adjustment offset by the depreciation charge of RM47.8 million and PPE written off or disposed. Deferred tax assets (DTA) has increased to RM1.2 million.

As of 30 September 2024, inventories rose to RM106.7 million from RM83.2 million compared to 31 December 2023, primarily due to increase in production volume. Similarly, trade receivables increased from RM128.0 million to RM155.8 million mainly due to normalisation of credit terms.

OTHER INFORMATION

2. Review of performance of the Group (cont'd)

2b Balance Sheet Review (cont'd)

Cash and cash equivalents reduced to RM790.1 million as at 30 September 2024 from RM875.4 million as at 31 December 2023. For the 3Q2024, the Group generated RM100.1 million of net cash flows from operating activities and net cash flows used in investing activities amounting to RM37.8 million were mainly for the purchase of PPE. The Group has net cash flows used in financing activities in 3Q2024 which is mainly for payment of principal portion of lease liabilities.

Current liabilities increased to RM124.1 million as at 30 September 2024 mainly due to higher payables and accruals and provision for taxation. Payables and accruals increased to RM101.9 million as at 30 September 2024 from RM71.5 million as at 31 December 2023 whereas provision for taxation increased from RM11.9 million as at 31 December 2023 to RM21.7 million as at 30 September 2024.

Non-current liabilities increased to RM59.6 million as at 30 September 2024 from RM59.0 million mainly due to higher deferred tax liabilities.

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

Not applicable

4. 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.

In the current year, the supply of gloves has normalised. However, the business is facing challenges of price competition, currency fluctuations, volatile raw material prices, and increased production costs.

5. Dividend information

5a Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per Share (in sen)	4.00 sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

Yes. The Board is pleased to declare a one-tier tax exempt interim dividend of 4.00 sen (2023: 5.00 sen) (RM) per ordinary share in respect of the third quarter period ended 30 September 2024.

OTHER INFORMATION

5. Dividend information (cont'd)

5b Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per Share (in sen)	5.00 sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

5c Date Payable

To be determined

5d Book Closure Date

To be determined

6. Interested person transactions

The Company does not have an Interested Person Transactions mandate.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 4.4 Rule 720(1) of the Listing Manual of the SGX-ST.

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors, I, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors which may render the condensed interim consolidated financial statements of the Group for the nine months period ended 30 September 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

WONG TEEK SON
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
11 November 2024

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.