



RIVERSTONE HOLDINGS LIMITED
(Company Registration Number 200510666D)
(Incorporated In the Republic of Singapore)

Response to Questions received from Shareholders prior to the Annual General Meeting to be held on 3 June 2020 at 2.00 p.m. by electronic means

Response to questions pre-submitted by shareholders	
Question 1:	I refer to page 9 of the Annual Report about “Operational and Financial Review”, particularly “Revenue by product 2019” chart. It is noted that Nitrile Gloves made up 95.0% of revenue in 2019. In 2019, what percentage of Nitrile Gloves came from Cleanroom gloves segment? And what percentage came from Healthcare gloves segment?
Reply:	27% from Cleanroom gloves and balance from Healthcare gloves segment.
Question 2:	I refer to page 74 of the Annual Report about “Segment information”, particularly “Geographical location of customers”. Why sales to customers in Malaysia dropped from 59.1% from RM169.794m in 2018 to RM69.414m in 2019? In addition, why sales to customers in China dropped from 12.1% from RM52.975m in 2018 to RM46.557m in 2019, especially when we have Riverstone Resources (Wuxi) Co. Ltd & Eco Medi Glove Products (Shenzhen) Co. Ltd.?
Reply:	The movement of sales in geographical location is due to billing arrangement from customers as well as some customers having relocated their operations to other countries. We continue to supply to them, and there is no overall loss in business.
Question 3:	I refer to page 72 of the Annual Report about “Segment information”, particularly “Geographical information”. Any reasons why the profit margin for China segment (i.e. 1.0%) was lower than Malaysia segment (i.e. 9.8%), which was lower than Thailand segment (i.e. 24.9%)? In addition, why the profit margin for China segment has decreased by 5.1% from 6.1% in 2018 to 1.0% in 2019?
Reply:	<p>The profit margin was mainly affected by the weakening of Renminbi (“RMB”) against United States Dollar (“USD”) as the main cost of raw material in China is in USD. The profit margin for FY2019 would have been substantially similar to FY2018 had the RMB:USD exchange rate been constant.</p> <p>The differences in profit margin in various countries arose from different product mix and cost structure.</p>
Question 4:	I refer to page 8 of the Annual Report about “Letter to Shareholders”. In the 4th paragraph, at the last sentence, it was stated that “Backed by our strong cash position, capital expenditures required for this project will be fully-funded internally and is estimated to cost approximately RM80.0 million for each phase.” How many phases are there to this Perak new facility and production lines? What is its total budgeted capex for all the phases? Other than this, any other budgeted capex?
Reply:	Subject to market conditions, 3 phases in 3 years and capital expenditure is estimated at RM80.0 million for each year.

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Question 5:	I refer to page 63 of the Annual Report about "Trade receivables". May I ask the Audit Committee how much of RM154.511m trade receivables as at 31 Dec 2019 had been collected so far? Did Riverstone face any increasing difficulties in the settlement process? If so, what is the Audit Committee doing about it?
Reply:	Our trade receivables turnover days maintain at less than 60 days. Audit Committee and management monitor closely on the collection. We are not aware of any difficulty in collection.
Question 6:	I refer to page 59 of the Annual Report about "Income tax expense". In the 2nd paragraph, at the 1st sentence, it was stated that "Protective Technology Co. Ltd ("PT") is exempted from corporate income tax in Thailand on net profit of promoted operations for a period of 8 years (non-consecutive), commencing from the first revenue generating year ...". When does the corporate income tax exemption in Thailand likely to end for Protective Technology Co. Ltd?
Reply:	The exemption of corporate income tax is on net profit of the promoted operation for a period of 8 years commencing from the date of earning such operating income. Our balance privilege will be expired on April-2022.
Question 7:	May I know why is stopping the Board from having a dividend policy? Is the Board reasonably confident of sustaining the dividend payout ratio of 42.0%?
Reply:	Given that the Group continues to be in growth mode, it would be imperative for us to be prudent in capital management and allocation. The Group presently does not have a formalised dividend policy, we typically reward shareholders twice yearly via the issuance of interim and final dividends with dividend payout ratio approximately of 40.0% since our listing.
Question 8:	Is the company providing dormitories to the foreign workers? If yes, what actions are been taken to prevent the spread of covid-19 in dorms since it is a hot bed for spreading very easily.
Reply:	The Group has implemented stringent safety measures across all of its facilities. The health and safety of all employees are of utmost important and priority for the Group. The following are some of the efforts we have done so far: <ul style="list-style-type: none"> • Temperature measurement at least 2 times per working day • Periodic disinfection • Hand sanitiser and washing station • No outsider allowed in our facilities • No gathering allowed
Question 9:	What is the outlook for the clean room glove? Is it holding up?
Reply:	We have been getting more enquiries as well as new customers and we are optimistic for growth in this segment.
Question 10:	Is there an increase in the ASP of our gloves?
Reply:	Yes, in 2 nd quarter of FY2020.
Question 11:	Does Riverstone also intend to invest in some capacity to produce face masks? Or it will continue to focus on nitrile gloves?
Reply:	We focus mainly in glove.
Question 12:	What is your current product mix between cleanroom & healthcare gloves?
Reply:	In terms of production volume, the product mix is about 15% cleanroom gloves and 85% healthcare gloves.

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Question 13:	How have your expansion plans being impacted by the covid 19 crisis?
Reply:	Our vendor/ builder are not allowed to operate during the Movement Control Orders (“MCO”), and caused delay to our expansion plans by 2 quarters currently.
Question 14:	Will company management consider to list in Bursa Malaysia? As peers in Malaysia enjoy higher valuation compare to listing in SGX.
Reply:	No plans at this moment, however we will consider from time to time.
Question 15:	In view of current Movement Current Order, how does this affect the production line with only 50% capacity ? Also just to understand further, is the production of gloves on a 24-hour shift pre and post COVID-19 ?
Reply:	Malaysia operations is in compliance with the guidelines issued and continue to operate as usual during the MCO under essential services.
Question 16:	What are we doing to stay ahead of our competitors?
Reply:	We develop premium and customised products to stay ahead of our competitors. We focus on Research and Development, continue to develop new cleanroom gloves and having initiatives to diversity to other segment such as surgical and industrial gloves.
Question 17:	How is Riverstone's automation technology compared against our competitors?
Reply:	We are on par with others especially in stripping, washing and packing process.
Question 18:	Would Riverstone to consider secondary listing in home country Malaysia to open door to shareholders trade outside Singapore market?
Reply:	No plans at this moment, however we will consider from time to time.