



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

**ANNUAL GENERAL MEETING (“AGM”) HELD ON 3 JUNE 2020 AT 2.00 P.M. BY ELECTRONIC MEANS THROUGH LIVE WEBCAST VIA AUDIO-VISUAL OR AUDIO ONLY**

**Response to questions submitted by shareholders after 26 May 2020 and prior to AGM**

<b>Questions pre-submitted by shareholders</b>	
Question 1:	<ul style="list-style-type: none"> <li>• What percentage of current production is for clean room gloves?</li> <li>• What is the percentage of contribution of clean room gloves to the total revenue of RM988 million in 2019? What is the current percentage revenue contribution for clean room gloves now?</li> <li>• What are the gross profit margins for clean room gloves?</li> <li>• What are the margins for the healthcare gloves?</li> <li>• Going forward do you see the clean room/health care glove product mix changing?</li> </ul>
Reply:	<p>The current production from cleanroom gloves is 15% of volume with approximately 26% revenue contribution in 2019. Profit margin for cleanroom gloves is approximately three times compared to healthcare gloves in 2019.</p> <p>We believe the product mix would remain unchanged at 15% for cleanroom gloves and 85% for healthcare gloves.</p>
Question 2:	<ul style="list-style-type: none"> <li>• What are the quantity number of gloves sold in pieces for 1 Oct - 31 Dec 2019 vs 1 Jan- 31 March 2020?</li> <li>• What are the expected number of gloves to be sold for coming 2 quarters i.e. Q2 &amp; Q3 2020?</li> <li>• Are there any capacity expansion for Quarter 3 &amp; 4 this year 2020? If so, is it for the Healthcare &amp; Food Grade segment.</li> <li>• As we know, there is a 5-10% increase for the average selling price of gloves for the 2nd Quarter. Will there be any downside revision of ASP for gloves moving forward into coming quarters i.e. Q3 &amp; Q4. Or is there any pressure to revise downwards the prices of Healthcare &amp; Food Grade gloves.</li> <li>• Is there a drop in demand for Cleanroom Gloves at current point of time?</li> <li>• Can the company include the following figures in future reporting, quarterly update or half yearly report: <ul style="list-style-type: none"> <li>○ the number of gloves sold by segment i.e. Cleanroom &amp; Healthcare, Current Quarter Period vs Same Quarter Period Last Year in Quantity (Pieces)</li> <li>the average selling price of each segmental gloves i.e. Cleanroom vs Healthcare vs Food Grade vs etc.</li> </ul> </li> </ul>
Reply:	<p>Quantity of gloves sold in 4Q2019 was 2.1 billion and 2.3 billion of gloves were sold in 1Q2020. Number of gloves expected to be sold in 2Q2020 is 2.3 billion and the Company expects to sell 2.5 billion gloves in 3Q2020. Production capacity expansion consists of 1 single and 2 double lines in 3Q2020 and another 2 double lines in 4Q2020. Looking at the current situation, selling price of gloves is expected to revise upwards.</p> <p>There was an increase of approximately 10% in the sales quantity for cleanroom gloves in 1Q2020.</p>

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	The product mix is 15% for cleanroom gloves and 85% for healthcare gloves. Due to sensitivity of information, the Company could not disclose the average selling price ("ASP").
Question 3:	<ul style="list-style-type: none"> <li>Will the US-China trade and tech war affect Riverstone's operation and glove demand?</li> <li>What does management see as the main drivers for glove demand over the next 3 years?</li> <li>Is the increase in demand sustainable after a vaccine or cure for Covid-19 is found or are there other factors that will continue drive the demand for Riverstone's rubber gloves?</li> </ul>
Reply:	<p>Business is as usual despite the trade war between US and China.</p> <p>Demand for gloves is expected to increase in the next 3 years by 10% for cleanroom gloves and 8% for healthcare gloves.</p> <p>Under normal situation, there will be an increase of 8% for healthcare gloves annually for world glove consumption at the base of 300 billion. With the Company's good records in quality, delivery and cost control measures, coupled with the long term relationship with customers, the Company is optimistic to achieve sustainable growth.</p>
Question 4:	Is the glove factory run on a 24-hour shift during pre and post COVID-19? Why the expansion of new factory keep on delaying?
Reply:	<p>Malaysia operations continue to operate 24 hours a day for 7 days a week as usual during the Movement Control Orders ("MCO") under essential services.</p> <p>Delay in expansion was due to MCO as our vendors/ builders are not allowed to operate during MCO. However, the new lines are going to be commissioned in 3Q2020 and 4Q2020.</p>
Question 5:	During current pandemic, is Riverstone increase its Average Selling Price on monthly basis, just like its peer?
Reply:	The Group has adjusted ASP upwards on monthly basis based on market conditions.
Question 6:	What is the growth projection in forward 2 years? What is the % ASP incremental for clean room and healthcare gloves in Q2 and Q3?
Reply:	Preliminary growth projection in term of volume is expected to increase by 10% to 15% annually while ASP is expected to increase by 5% in 2Q2020 and 10% in 3Q2020.
Question 7:	<ul style="list-style-type: none"> <li>What is the forecast % of net profit for the whole year of 2020?</li> <li>What is the Finance Contingency Plan in the event of Covid-19 case over &amp; glove demand drop?</li> </ul>
Reply:	By reference to the 1Q2020 business update announcement, net profit margin had increased by 54.3%. The Group has long term relationship with customer that take up majority of the orders and diversification that cover cleanroom gloves, healthcare gloves, food industry and industrial gloves, the Company is optimistic to achieve favourable performance in FY2020.
Question 8:	<ul style="list-style-type: none"> <li>What is the current utilization rate of production capacity (latest May2020)?</li> <li>Is the group exploring measures to convert clean room gloves into manufacturing medical gloves?</li> </ul>

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Reply:	<ul style="list-style-type: none"> <li>• Will there be any further adjustments to the average selling price in the coming months?</li> </ul> <p>The current utilisation rate is 95%. While production priority is given to cleanroom gloves, the Company's production lines are interchangeable production lines that can switch between manufacturing cleanroom and healthcare gloves readily based on market demand.</p> <p>Based on market conditions, we believe there will be further upward adjustment to the ASP.</p>
Question 9:	<ul style="list-style-type: none"> <li>• Will your expansion plans carry out as such in this uncertain period?</li> <li>• What do you think are some key risks that the company may face apart from raw material prices, profit margin fluctuations etc.?</li> <li>• Lastly, at what operational capacity are you currently at now?</li> </ul>
Reply:	<p>The current utilisation rate has reached 95%. We would continue to carry out expansion plans to ease congestion.</p> <p>Macroeconomic headwinds such as US Dollar fluctuations as well as competition from other glove manufacturers continue to remain challenging for the Group.</p>