



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

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**RESPONSE TO SGX QUERIES ON THE FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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The Board of Directors of Riverstone Holdings Limited (“**the Company**” or together with its subsidiaries “**the Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 8 March 2021 relating to the Company’s Full Year Financial Results Announcement for the year ended 31 December 2020 released by the Company on 25 February 2021. The Company’s response is as follow:

**1. SGX-ST’s Queries:**

Please provide a breakdown of Trade receivables of RM319,735,000 and RM154,511,000 as at 31 December 2020 and 31 December 2019 respectively.

**Company’s Response:**

Trade receivables are recognised at original invoiced amounts which represent their fair values on initial recognition:

	As at 31.12.20	As at 31.12.19
Trade receivables	<u>RM'000 319,735</u>	<u>RM'000 154,511</u>

**2. SGX-ST’s Queries:**

Please provide the aging of Trade receivables as at 31 December 2020.

**Company’s Response:**

	<u>Current</u> RM'000	<u>1 Mth</u> RM'000	<u>2 Mths</u> RM'000	<u>3 Mths</u> RM'000	<u>4 Mths+</u> RM'000	<u>Total</u> RM'000
As at 31.12.2020	238,604	60,464	17,100	2,041	1,526	319,735
%	74.6%	18.9%	5.4%	0.6%	0.5%	100.0%

3. **SGX-ST's Queries:**

Please provide the Board's assessment on the recoverability of the Group's Trade receivables, and the bases for such an assessment.

**Company's Response:**

Based on historical and current collection profiles, the Board is of the view that the outstanding Trade receivables as at 31 December 2020 are expected to be recovered in full.

4. **SGX-ST's Queries:**

Please provide an explanation for the increase in fixed deposits of 378.5% from FY2019 to FY2020.

**Company's Response:**

The fixed deposits are in preparation of the dividend payment, subject to the shareholder's approval in the upcoming annual general meeting.

5. **SGX-ST's Queries:**

Please provide a breakdown of Payables and accruals of RM166,376,000 and RM112,879,000 as at 31 December 2020 and 31 December 2019 respectively.

**Company's Response:**

	<b>2020</b> RM'000	<b>2019</b> RM'000
Payables for raw materials	73,645	58,059
Accruals for operating expenses	61,867	30,041
Payables for purchase of plant and equipment	30,864	24,779
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	166,376	112,879
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6. **SGX-ST's Queries:**

Please provide the nature and breakdown of contract liabilities of RM15,415,000 (FY19: NIL) as at 31 December 2020.

**Company's Response:**

Contract liabilities primarily relate to the Group's obligation to transfer goods to customers for which the Group has received advances from customer for sale of products. Contract liabilities have increased due to an increase in demand for the Group's products during the COVID-19 pandemic.

7. **SGX-ST's Queries:**

Please provide an explanation for the significant increase in Provision for taxation and Deferred tax liabilities as at 31 December 2020.

**Company's Response:**

Due to the pandemic, there is a significant increase in the Group's profit leading to the increase in tax expense and provision for taxation.

There was a decrease in deferred tax assets recognised as at 31 December 2020 as the reinvestment allowances have been fully utilised against taxable profits of a subsidiary. As a result, there was a net deferred tax liability position.

8. **SGX-ST's Queries:**

Please provide the reason(s) for the significant Payables and Accruals of RM166,376,000 when the Group recorded a cash at banks and in hand of RM352,236,000 as at 31 December 2020.

**Company's Response:**

The significant increase in payables and accruals, and cash was due to the increased operating activity during the pandemic. The Group's policy is to settle the payables and accruals based on the credit terms of the invoices. The Group will settle the outstanding balances when they are due for payment.

9. **SGX-ST's Queries:**

It was disclosed that the Phase 6 expansion plan in Taiping, Perak, Malaysia ("Taiping") has been completed. Please disclose the phases, description and timeline for all phases of the expansion plan in Taiping, and when the Company expects to start production of gloves in Taiping.

**Company's Response:**

All expansion phases to-date became operational as soon as they were completed. The Group has announced progress of expansion plan in Taiping with the last announcement released on 26 February 2021.

In Summary:

<b>Phase</b>	<b>Completed &amp; contributed</b>	<b>Additional production capacity</b>
	FY2014	+1.0 billion
	FY2015	+0.9 billion
<b>Phase 1 ~ 5</b>	FY2016	+1.0 billion
	FY2017	+1.4 billion
	FY2018/19	+1.4 billion
<b>Phase 6</b>	FY2020	+1.5 billion

As mentioned in the Corporate Presentation released on 26 February 2021, Phase 7 to 9 will take place from FY2021 to FY2023 projected to bring capacity by up to 1.5 billion pieces of gloves per annum to a total of up to 15.0 billion. Any developments with regard to these expansion plans will be announced via SGXNet.

**10. SGX-ST's Queries:**

Please provide the Board's opinion on the factors leading to material changes in contributions to turnover/earnings for the year ended 31 Dec 2020, whether the Board expects such results to continue and the bases for such an opinion.

**Company's Response:**

Amid the sustained global demand for healthcare glove and supply shortages caused by the COVID-19 pandemic, the Board maintains a positive view on the Group's performance for the next 12 months.

BY ORDER OF THE BOARD

Wong Teek Son  
Executive Chairman/Chief Executive Officer

9 March 2021