RIVERSTONE HOLDINGS LIMITED

LEADER IN THE MANUFACTURING OF CLEANROOM AND HEALTHCARE GLOVES

ANNUAL REPORT 2021

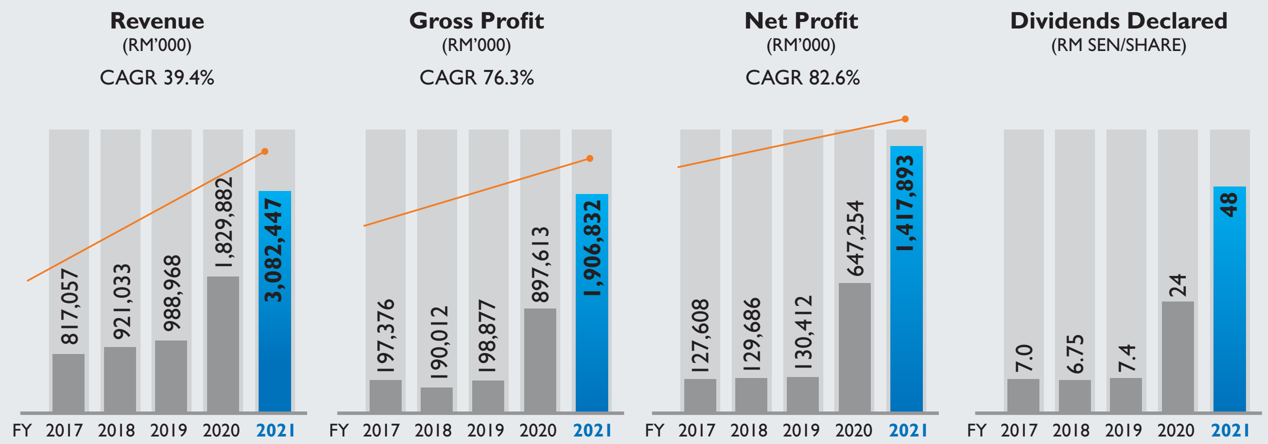
COMPANY VISION & MISSION

Riverstone's business is built on a foundation of deep technical knowledge to meet the exacting standards for particle and static control that the electronics industry demands. We offer a wide range of products for all classes of cleanrooms to meet our customers' unique needs. Our desire is to provide top quality and innovative products and to do so in a timely, reliable and efficient manner.

We strive to be a global leader in the manufacture of cleanroom and healthcare gloves. Our brand, "RS", symbolizes superior quality and we are the first-choice glove supplier for users in the highly controlled and critical manufacturing and healthcare environment.

CONTENTS

GROUP FINANCIAL HIGHLIGHTS



	FY2021	FY2020	FY2019	FY2018	FY2017
For The Year (RM'000)					
Revenue	**3,082,447**	1,829,882	988,968	921,033	817,057
Gross Profit	**1,906,832**	897,613	198,877	190,012	197,376
Gross Profit Margin	**61.9%**	49.1%	20.1%	20.6%	24.2%
Profit before tax	**1,858,589**	841,353	157,413	151,072	148,618
Net Profit	**1,417,893**	647,254	130,412	129,686	127,608
Net Profit Margin	**46.0%**	35.4%	13.2%	14.1%	15.6%
Cashflow from operations	**1,569,819**	702,712	167,846	167,250	145,683
At Year End (RM'000)					
Total Assets	**2,699,608**	1,687,770	932,649	872,856	778,404
Shareholders Equity	**2,332,457**	1,358,097	789,425	709,019	632,616
Cash and Cash Equivalents	**1,612,931**	648,943	130,409	97,010	114,250
Debt*	**1,000**	7,000	13,000	20,000	25,000
Debt Equity Ratio	**0.0%**	0.05%	1.6%	2.8%	4.0%
Return on Equity	**60.8%**	47.7%	16.5%	18.3%	20.2%
Return on Assets	**52.5%**	38.3%	14.0%	14.9%	16.4%
Per Share (RM sen)					
Earnings (Basic)**	**95.7**	43.7	8.8	8.7	8.6
Earnings (Diluted basis)	**95.7**	43.7	8.8	8.7	8.6
Net Tangible Asset	**157.4**	91.6	53.3	47.8	42.7
Dividend declared for the financial year***	**48.0**	24.0	7.4	6.8	7.0

* Excludes lease liabilities.

** EPS is computed based on weighted average number of shares of 1,482.2 million.

*** Dividends are tax-exempted (one-tier). The dividend declared for FY21 of 28.00 sen (RM) per ordinary share which is subject to approval by shareholders at the Annual General Meeting on 25 April 2022.

N/A: Not Applicable

KEY MILESTONES

2021

- Total annual production capacity remains at 10.5 billion gloves amid multiple periods of lockdowns resulting in delay in output capacity increase to be rendered by Phase 7 new factory
- Construction of Phase 7 new factory completed and ready to fully operate in FY2022

2020

- Phase 6 expansion plan completed bringing the total annual production capacity to 10.5 billion gloves
- Construction of Phase 7 new factory near completion

2019

- The new glove factory building of Phase 6 completed
- Machinery installation and commissioning of Phase 6 underway which expected to bring the Group's annual production capacity up to 10.4 billion gloves upon completion
- Acquired a piece of 3.8-acre land contiguous to the 14.64-acre land acquired in 2018 located at the Kamunting Raya Industrial Estate, Taiping, Perak, Malaysia for expansion beyond Phase 6

2018

- Completed 5th Phase of expansion plan in Taiping and increased total annual production capacity to 9.0 billion gloves.
- Started the construction of Phase 6 – new glove factory building in Taiping.
- Acquired 14.64-acre of land located at Kamunting Raya Industrial Estate, Taiping, Perak Darul Ridzuan, Malaysia for expansion beyond Phase 6.
- Set up sales office in Shenzhen, China

2017

- Completed 4th Phase of expansion plan in Taiping and total annual production capacity increased to 7.6 billion gloves.
- Started the construction of Phase 5 – new glove factory building in Taiping.
- Acquired a piece of land with built-up factory at Kawasan Perindustrian Bukit Beruntung, Rawang, Selangor, Malaysia to support the expansion of production capacity for cleanroom gloves and Group's operations.

2016

- 3rd Phase of expansion plan in Taiping completed as per schedule and total annual production capacity increased to 6.2 billion gloves.
- Construction of Phase 4 new glove factory building underway in Taiping.

2015

- Commissioned additional one finger cots line in Bukit Beruntung plant in September 2015.
- 2nd Phase of expansion plan in Taiping completed as per schedule and total annual production capacity increased to 5.2 billion gloves.
- Acquired a piece of land of 9.4-acre located at Kamunting Raya Industrial Estate, Taiping, Perak, Malaysia for construction of a worker hostel and a potential new factory to support future business expansion.

2014

- Commissioned additional one line in Thailand plant in March 2014.
- 1st Phase of expansion plan in Taiping, Perak, Malaysia completed in December 2014 with a factory building and 6 production dipping lines and total annual production capacity increased to 4.2 billion gloves.
- Fully compliant with Business Social Compliance Initiative "BSCI" Code of Conduct in January 2015. (BSCI audit summary report reference number DBID: 338381 is available online to BSCI members).

2013

- Entered into a Sale and Purchase Agreement to acquire a piece of land of 30 acres (approximately 1.5 acres to be surrended to local authority for service road) located at Kamunting Raya Industrial Estate, Taiping, Perak, Malaysia in April 2013 to support the business expansion of the Group.
- Awarded OHSAS 18001 & MS 1722 certification for the Occupational Safety & Health Management System.

2012

- Commissioned additional 6 production lines in the Malaysia plant in December 2012 and annual production capacity increased from 2.5 billion to 3.1 billion gloves.
- Completed an extension of factory building in Taiping, Perak, Malaysia.

2011

- Commissioned additional 4 lines through the completion of Taiping plant's Phase II expansion plan and also added one new line at Bukit Beruntung plant. Total annual production capacity increased from 1.76 billion to 2.5 billion gloves.
- Commissioned one new biomass water tube boiler each at Taiping and Bukit Beruntung plants and each boiler will have a capacity to supply 15 tons of steam per hour for use in the process of glove manufacturing.

KEY MILESTONES

- Achieved “2011 Singapore 1000 Company” from Singapore 1000 Family of Rankings.

2010

- Completed a new factory located in Taiping, Perak Darul Ridzuan, Malaysia.
- Completed Phase 1 expansion plan by commissioning additional 5 lines in the Malaysia plant and 1 line in the Thailand plant and annual production capacity increased by 800 million to 1.76 billion gloves.
- Awarded “Best Under A Billion” by Forbes Asia.
- Awarded Food and Drug Administration “FDA” 510(K) Pre-Market Application certification by FDA, USA.
- Awarded Directive 93/42/EEC – Sterile Nitrile Gloves by SGS United Kingdom Ltd. System & Services Certification.

2009

- Commissioned additional line in the Malaysia plant in December 2009 and annual production capacity increased by 60 million to 960 million gloves.
- Completed construction of 3 storey building for Research and Development, Quality Assurance and Chlorination facilities.
- Cleanrooms for packaging materials and face masks were completed in November 2009.
- Awarded ISO 13485:2003 Quality Management System certifications for Medical Devices.
- Ventured into production of premium healthcare gloves.

2008

- Completed construction of 3 storey new factory canteen and office building in Malaysia.
- Commissioned additional 2 lines in the Malaysia plant in August and December and annual production capacity increased by 120 million to 900 million gloves.
- Acquired Sinetimed Consumables Sdn Bhd to manufacture cleanroom gloves and finger cots.
- Entered into Sales and Purchase Agreement with WRP Sinetimed Sdn Bhd to acquire certain property and fixed assets.
- Construction of 1½ storey new factory in Malaysia completed in December.

2007

- Acquired land in Malaysia in August to expand group business into production of cleanroom face masks and packaging materials.
- Commissioned additional line in Thailand plant in December and annual production capacity increased by 60 million to 780 million gloves.

2006

- Successfully listed on the Mainboard of Singapore Exchange “SGX” in November.
- Commissioned additional lines in December and increased annual production capacity by 120 million to 720 million gloves.
- Acquired new equipment to increase annual production capacity of cleanroom packaging materials to 1,000 tonnes.
- China plant commenced operations to provide chlorination and packaging services for customers in China.
- Awarded ISO 14001:2004 certification for environmental management system.

2005

- Expanded annual production capacity to 601 million gloves and 876 tonnes of cleanroom packaging materials.
- Successfully adopted the Six Sigma program to assess product quantity, maintain consistency and reliability in our end-to-end manufacturing process.

2004

- Expanded annual production capacity to 475 million gloves and 660 tonnes of cleanroom packaging materials.

2002-2003

- Expanded annual production capacity to 411 million gloves and 475 million finger cots.

2001

- Established manufacturing facilities in Thailand with production capacity of 120 million gloves and increased the Group’s annual production capacity to 391 million gloves.
- Set up sales office in US to service customers in Northern and Central America.

2000

- Developed capability to manufacture higher quality Class 10 cleanroom gloves. Installed special dipping line solely for research and development purposes.
- Set up office in the Philippines.
- Expanded annual production capacity to 271 million gloves.

1999

- Expanded annual production capacity to 216 million gloves. Set up office in the Philippines.

1995-1996

- Ventured into production of other non-glove cleanroom consumables such as cleanroom packaging materials and finger cots.

1994

- Expanded annual production capacity to 120 million gloves.
- Pioneered the manufacture of nitrile cleanroom gloves in Malaysia.

1991

- Incorporated Riverstone Resources Sdn Bhd to manufacture cleanroom gloves.

CORPORATE PROFILE

Riverstone was established in 1991 and listed on the Mainboard of the Singapore Stock Exchange in 2006.

We specialise in the production of Cleanroom and Healthcare Gloves, finger cots, cleanroom packaging bags and face masks. Over the years, with the full support of our valued customers and the commitment of our staff, we have grown to become the leading global supplier for Cleanroom and Healthcare Gloves.

Our products are qualified and widely used by major global players in the electronic and healthcare industries. We export more than 80% of our products to key customers in Asia, the Americas and Europe.

As a global supplier of Cleanroom Consumables and Healthcare Gloves, currently we have five manufacturing facilities, located in Malaysia, Thailand, China and established network of sales offices and strategic partners in Asia, the Americas and Europe.

1 MALAYSIA - HEAD OFFICE
Riverstone Resources Sdn Bhd

2 MALAYSIA - TAIPING
Riverstone Resources Sdn Bhd

3 MALAYSIA - BUKIT BERUNTUNG
Riverstone Resources Sdn Bhd
Riverstone Industrial Products Sdn Bhd

4 MALAYSIA - TAIPING
Eco Medi Glove Sdn Bhd

5 THAILAND
Protective Technology Company Limited

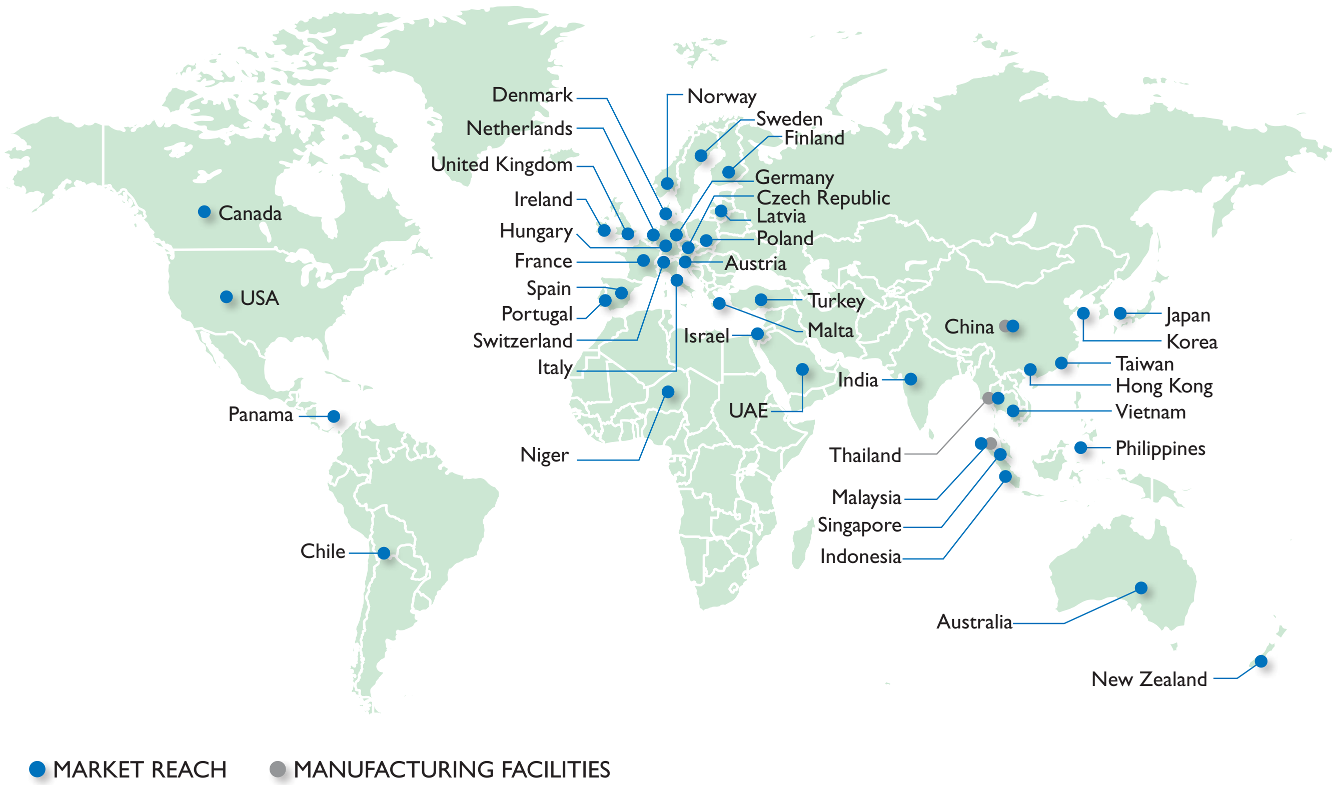
6 CHINA
Riverstone Resources (Wuxi) Company Limited

7 CHINA
Eco Medi Glove Products (Shenzhen) Co Ltd

8 MALAYSIA
Eco Star Glove Sdn Bhd

MARKET REACH

AS A GLOBAL SUPPLIER OF CLEANROOM CONSUMABLES AND HEALTHCARE GLOVES, WE HAVE NETWORK OF SALES OFFICES AND STRATEGIC PARTNERS IN ASIA, THE AMERICAS AND EUROPE.



GROUP STRUCTURE

MALAYSIA
- Riverstone Resources Sdn Bhd
- Riverstone Industrial Products Sdn Bhd
- Eco Medi Glove Sdn Bhd
- Eco Star Glove Sdn Bhd

SINGAPORE
- Riverstone Holdings Limited
- Riverstone Resources (S) Pte Ltd

CHINA
- Riverstone Resources (Wuxi) Co Ltd
- Eco Medi Glove Products (Shenzhen) Co Ltd

THAILAND
- Protective Technology Company Limited

R&D AND TECHNICAL EXPERTISE

OUR FOCUS ON RESEARCH AND PRODUCT DEVELOPMENT ENABLES US TO ENGAGE BETTER IN TECHNICAL COLLABORATIVE PROJECTS WITH OUR CUSTOMERS TO DELIVER CUSTOMISED SOLUTIONS.

Our customers are major manufacturers in the HDD and semiconductor industries. The production and assembly of electronic products in these industries demand exacting cleanroom standards for particle and static control in order to protect highly sensitive electronic components from contamination.

Our Group has been involved in the manufacturing of cleanroom gloves for more than 31 years. We strive to create an environment rich in technological innovation and manufacturing excellence. Over the years, we have developed deep technical knowledge in formulation and process techniques. We are able to customise gloves to meet our customers' unique requirements for all classes of cleanrooms.

Our 20-strong R&D and technical team consists of experienced professionals including chemists and chemical engineers. Our focus on research and product development enables us to engage in technical collaborative projects with our customers to deliver customised solutions. This enables us to strengthen our long-standing customer relationships, keeping abreast of industry trends and meeting the specific needs of our customers.

Our strength in research and product development has enabled us to successfully produce high quality healthcare gloves and gain recognition from multi-national corporate customers in the healthcare industry over a short period of time. Our products acting as an inexpensive protective barriers are now essential to healthcare, pharmaceutical and even food-related industries.

As a testament to our high quality control and production standards, we have been accorded international manufacturing certifications:

- ISO 9001:2015 Quality management system
- ISO 14001:2015 Environmental management system
- ISO 13485:2016 Quality management system for medical devices
- ISO 45001:2018
- Certified Directive 93/42/EEC for Sterile Nitrile Gloves
- Certified Directive 93/42/EEC for Sterile Surgical latex Glove
- Registered US FDA 510(K) for medical devices
- Registered Japan FDA for medical devices
- Registered China FDA for medical devices
- EU Type Examination Certificate (PPE, regulation (EU) 2016/425)
- Malaysia Medical Device Authority (MDA) Certification
- RBA (SVAP) Compliance

LETTER TO SHAREHOLDERS

MR WONG TEEK SON
Executive Chairman and CEO

Dear Shareholders,

Since our inception more than 30 years ago, Riverstone has grown to become a leading cleanroom products and healthcare examination nitrile gloves manufacturer. Riverstone has achieved a remarkable FY2021, with a revenue growth of 68.5%, from RM1.83 billion in FY2020 to RM3.08 billion in FY2021. Our profit attributed to equity holders increased by 119.1% year-on-year, to RM1.42 billion in FY2021. The increase in both revenue and profit are driven by the high demand for healthcare and cleanroom gloves in the first half of 2021.

The demand for cleanroom gloves, which makes up 20% of our volume production, remained robust. We expect the demand and average selling price ("ASP") of nitrile cleanroom gloves to remain stable in 2022. On the other hand, the ASP of healthcare gloves began on a normalising trend due to the demand regulating with the population's gradual adaptation to the pandemic. We expect the demand and ASP to normalise by the first quarter of 2022 from our observations in the fourth quarter of 2021.

Going forward, we will be diverting more resources towards the high-tech cleanroom gloves business. Cleanroom gloves production remains a niche market with lesser competition due to various factors. Cleanroom gloves are highly customised products requiring in-depth knowledge to develop and manufacture, thus creating a high barrier to entry for new players. Being in the cleanroom glove manufacturing business for over 30 years, Riverstone has a competitive advantage with deep experience and expertise accumulated over the years in the development, manufacture, and distribution of cleanroom gloves. We will be expanding the cleanroom facility at Riverstone's Head Office, Bukit Beruntung, Selangor and building another cleanroom plant at Taiping, Perak to meet the growing demand for cleanroom gloves from our new and existing customers. By the end of 2022, we will have two new additional facilities for the cleanroom business.

Although competition in the healthcare gloves segment is expected to intensify in the coming years, we are optimistic about the growth prospects of this market and the Group's outlook. Our plant expansion will continue according to plan after delays arising from Malaysia's Movement Control Order ("MCO"). Our existing capacity is at 10.5 billion pieces of gloves, and we will add 1.5 billion pieces to our capacity per year. Once our 3-years expansion plan completes in 2024, our annual glove production capacity will reach 15.0 billion pieces. The expansion plan will be entirely internally financed, and the capital expenditure is expected to be around RM100.0 million per year.

LETTER TO SHAREHOLDERS

Despite the remarkable results we achieved this year, our business is not without challenges in the coming years. Some of the near-term challenges we expected are labour costs increases, manpower shortages, and utility and fuel cost increases. We are automating more processes in our manufacturing plants to reduce our reliance on low-skilled labour. Innovative products will help us capture new market segments, expand our revenue stream, and achieve sustainable growth.

Due to our strong cash reserves, we are able to invest in replacing old machineries and equipment with newer and more energy efficient ones, hence reducing our energy usage and operational cost. We invest heavily in research and development (R&D) because product innovation is the key to driving sustainability. Our R&D team is working to develop new environmentally friendly products and more resource-efficient manufacturing processes. Concurrently, we are collaborating with our supplier to develop a latex formula with a lower curing temperature and requires less water for leaching. We are also taking the opportunity to streamline our healthcare product offering. This will help us reduce the frequency of changeover, thus reducing wastage and costs.

To ensure our business is sustainable, we believe that it is crucial for Riverstone to lead in environmental, social, and governance (ESG) practices. Riverstone places a strong emphasis on improving our ESG and sustainability performances hence in this year, we set up a sustainability committee composed of members from various departments in the company to further tackle our goals. This provides a platform for managers to discuss Riverstone's sustainability strategy and the best actions to implement these strategies. We set a mid-term target to reduce energy usage intensity by at least 10.0% from our 2020 levels by 2025. We also hope to achieve our target of reducing water withdrawal intensity by approximately 25.0% from our 2020 levels by 2025.

Employee wellbeing is one of Riverstone's priorities. During the COVID-19 pandemic, we allocated about RM4.5 million of special allowance to reward all workers across the company for their hard work during the pandemic.

Human resource development was also disrupted during the COVID-19 pandemic. As the pandemic restrictions start to lift, workplace training and development will be a priority for Riverstone for the next few years. We have accumulated more than RM1.0 million in human resource development funds and plan to train our workforce to be better prepared for the changes brought by workplace digital transformation and automation. We also aim to help more unskilled workers to transition into skilled roles, enhancing the productivity of our workforce.

In appreciation of our shareholders, the Board is pleased to recommend a special interim dividend of 10.00 sen (RM) per ordinary share and subject to shareholders' approval at the Annual General Meeting, a final dividend of 28.00 sen (RM) per ordinary share. Together with the interim dividend of 10.00 sen (RM) per ordinary share, the total full year dividend amounts to 48.00 sen (RM) per ordinary share. This represents a dividend pay-out ratio of 50.2% in 2021.

I would like to thank our Board of Directors for their guidance and contribution over the years. I am also grateful for the trust and confidence our shareholders, customers, suppliers, and other stakeholders placed in us. Finally, I want to express my gratitude towards Riverstone's employees for their dedication and hard work. Their contributions enable Riverstone to achieve remarkable successes every year.

Yours Sincerely,

MR WONG TEEK SON
Executive Chairman and CEO

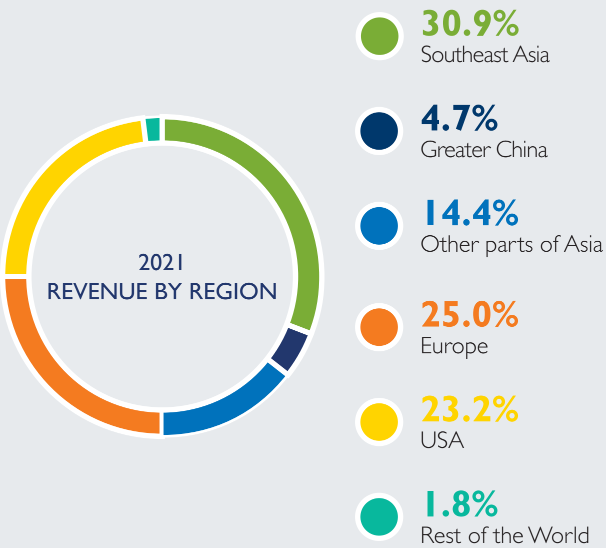
OPERATIONAL AND FINANCIAL REVIEW

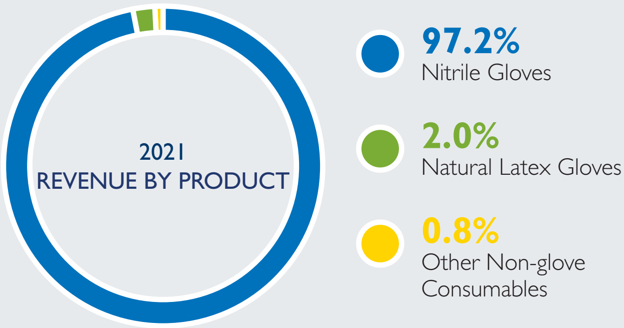
REVENUE

The Group saw revenue surge by 68.5% to RM3,082.4 million in FY2021 over RM1,829.9 million in FY2020 due to higher sales volume and average selling price for both healthcare and cleanroom gloves as demand climbed for these products primarily attributable to the ongoing COVID-19 pandemic. Reflecting the strong glove demand, sales contributed by the primary product segment i.e. glove, rose by 70.6% to RM3,057.9 million (FY2020: RM1,792.4 million). However, non-glove product revenue was lower by 34.6% at RM24.5 million (FY2020: RM37.5 million). Non-glove products comprised finger cots, static shielding bags, face masks, wipers and packaging materials.

As to the product segment breakdown, nitrile glove sales amounted to RM2,994.9 million or 97.2% (FY2020: RM1,753.3 million or 95.8%) of total revenue, while sales contribution of natural latex glove remained insignificant at RM63.0 million or 2.0% compared with FY2020 at RM39.1 million or 2.2%.

Europe, Southeast Asia and USA continued to be the main contributors accounting for 79.1% of total revenue. Notably, total revenue contributed by Southeast Asia was the highest at RM951.9 million (FY2020: RM543.2 million), while sales to Europe and USA amounted to RM770.0 million (FY2020: RM529.6 million) and RM715.8 million (FY2020: RM325.1 million) respectively.





GROSS PROFIT

The increased revenue in FY2021 brought about higher blended gross profit at RM1,906.8 million compared to RM897.6 million in FY2020, with gross profit margin improving from 49.1% to 61.9%.

OPERATING EXPENSES

In line with the substantial revenue growth, selling and distribution expenses increased by 29.1% to RM28.4 million from RM22.0 million mainly due to increased carriage outwards driven by higher sales volume amid solid glove demand. General and administrative expenses increased by 41.0% to RM48.6 million in FY2021 mainly due to higher staff costs. The Group attributed the net other operating income of RM10.7 million mainly to foreign exchange gains recorded on appreciating USD against MYR during FY2021, compared with net other operating expenses of RM4.1 million in FY2020.

OPERATIONAL AND FINANCIAL REVIEW

NET PROFIT

Corresponding to the YoY increase in profit before tax, the Group's net profit increased to RM1,417.9 million in FY2021 from that of RM647.3 million in FY2020, with the effective tax rate almost the same for both FY2021 and FY2020. Consequently, the basic earnings per share for FY2021 rose by 119.1% to 95.66 sen against 43.67 sen for FY2020.

FINANCIAL POSITION

Total assets increased to RM2,699.6 million by 60.0% from RM1,687.8 million mainly due to increase in cash balances generated from operations.

Property, plant and equipment (PPE) increased to RM691.2 million from RM587.3 million due to additions amounted to RM160.2 million plus forex adjustment and was partly offset by the depreciation charge of RM55.8 million plus minor write-offs and disposals.

Inventories increased from RM122.0 million to RM153.0 million in line with higher production volume and trade receivables decreased to RM232.0 million from RM319.7 million as a result of prompt collection of receivables.

Cash and cash equivalents increased from RM648.9 million as at 31 December 2020 to RM1,612.9 million as at 31 December 2021 mainly attributable to net cash inflow amounted to RM1,569.8 million generated from operating activities. Net cash flows used in investing activities of FY2021 was RM155.9 million, higher than RM99.1 million of FY2020 mainly due to higher PPE purchases in the current year. Net cash flows used in financing activities in FY2021 increased to RM451.2 million from that of RM79.5 million in last year mainly due to higher dividend payments..

Current liabilities increased to RM312.0 million mainly due to higher tax provision of RM151.4 million as at 31 December 2021. Payables and accruals fall to RM152.8 million as at 31 December 2021 from RM166.4 million.

Non-current liabilities increased to RM55.1 million from RM47.8 million mainly due to the increase in deferred tax liabilities.

The increase in equity attributable to owners of the Company was mainly due to current year profit of RM1,417.9 million retained, offset by dividend payments to shareholders.

NET ASSETS PER SHARE

The net assets backing per share increased to RM1.57 in FY2021 from RM0.92 in FY2020 as a result of a 71.7% increase in shareholders' equity to RM2,332.5 million in FY2021 from RM1,358.1 million in FY2020.

DIRECTORS' PROFILE

WONG TEEK SON

Executive Chairman & Chief Executive Officer

Wong Teek Son is the founder and Chief Executive Officer of Riverstone. He was appointed to the Board as Executive Chairman on 3 August 2005. Mr Wong has been instrumental in expanding the Group's customer base and cementing business relationships with its international customers. Mr Wong's executive responsibilities include developing business strategies and overseeing the Group's operations. Mr Wong holds a Master in Business Administration from Monash University and a Bachelor of Science (Hons) from the University of Malaya.

LEE WAI KEONG

Chief Operating Officer & Executive Director

Lee Wai Keong is the co-founder and Chief Operating Officer of Riverstone. He was appointed to the Board as an Executive Director on 3 August 2005. He has contributed to the Group's high quality control and production standards required to meet stringent international standards in the highly demanding cleanroom industry. Mr Lee is responsible for the Group's production facilities in Malaysia, Thailand and China.

Lim Jun Xiong Steven

Lead Independent Non-Executive Director

Lim Jun Xiong Steven was appointed to the Board as an Independent Non-Executive Director on 26 April 2021.

Mr. Lim holds a Bachelor of Commerce majoring in Accounting and Finance from the University of Newcastle, Australia. Mr. Lim is a fellow member of CPA Australia, the Institute of Singapore Chartered Accountants and a member of the Society of Trust and Estate Practitioners.

Mr. Lim was the Chief Executive Officer of SG Trust (Asia) Ltd, a wholly-owned subsidiary and fiduciary services arm of Société Générale Private Banking. Prior to this, he was heading the Global Wealth Solutions unit of HSBC Private Bank (Suisse) SA. Mr. Lim started his career at PriceWaterhouseCoopers.

Presently, Mr. Lim is an Independent Director of Bund Center Investment Limited, Hong Fok Corporation Limited, Sinarmas Land Limited and Livingstone Health Holdings Limited, all of which are listed on the official list of the Singapore Exchange Securities Trading Limited.

DIRECTORS' PROFILE

Raymond Fam Chye Soon
Independent Non-Executive Director

Raymond Fam Chye Soon was appointed to the Board as an Independent Non-Executive Director on 3 June 2020. Mr Raymond holds a Masters in Financial Planning from University of Sunshine Coast, Australia and Corporate Finance qualification from Institute of Chartered Accountants in England and Wales. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

Yoong Kah Yin
Independent Non-Executive Director

Yoong Kah Yin was appointed to the Board as an Independent Non-Executive Director on 26 April 2021. Mr. Yoong was independent non-executive chairman of an engineering and renewable energy company listed on Bursa Malaysia. In addition to this, he was independent non-executive director of two other listed companies on Bursa Malaysia. He co-founded and listed a food and beverage company on Bursa Malaysia after having worked in an investment bank in a senior position.

Mr. Yoong holds Bachelor Degree (Honors) in Accounting and Finance from Middlesex University, London and Master of Business Administration, Cass Business School/City University Business School, London, United Kingdom.

EXECUTIVE MANAGEMENT

Wong Teck Choon joined our Group in 1991 and is the Group Business Development Manager. He was appointed to the Board as an Executive Director on 2 October 2006 and ceased as Alternate Director to Mr Wong Teek Son effective from 11 August 2020. Mr Wong has been involved in various business units of the Group and has contributed to the Group's expansion of other non-glove cleanroom consumables. Mr Wong is responsible for the production of cleanroom finger cots and exploring business development opportunities for the Group for other cleanroom consumables.

Dumrongsak Aroonprasertkul joined our Group in 2001 and is the General Manager of our operations in Thailand. Mr Aroonprasertkul is responsible for the business and strategic growth and development of our Group in Thailand. Mr Aroonprasertkul holds a Masters in Business Administration from the Monash Mt. Eliza University and a Bachelor of Business Administration (Accounting) from the Ramkhamhaeng University.

Lim Sing Poew joined our Group in 2017 and is the Group General Manager. Mr Lim is responsible for the business development strategy and growth of our Group. Mr Lim obtained his qualifications as a Chartered Certified Accountants in 1993. He is a Fellow member of the Association of Chartered Certified Accountants, UK, and a member of the Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia.

Chee Mei Chuan joined our Group in 1995 and is the Human Resource Manager of Riverstone Resources Sdn Bhd where he is responsible for the development and implementation of human resource policies of our Malaysian subsidiaries. Mr Chee holds a Bachelor of Science with Education (Hons) from the University of Malaya.

Tan Wang Thing joined our Group in 2006 and was the Group Accountant since 1 July 2013. She was appointed as Chief Financial Officer on 15 August 2016 and responsible for controlling and managing the finance and accounting functions of our Group. She holds a Master of Science (Accounting and Finance) from The University of Birmingham, and Master of Business Administration from The University of Strathclyde. She is the Associate member of The Chartered Institute of Management Accountants, UK and a member of the Malaysian Institute of Accountants.

Casey Khor Kuan Ching joined our Group in 2008 and is the General Manager of Eco Medi Glove Sdn Bhd. She holds a Bachelor of Economics (Accounting) from the University of Manchester, and has a background in finance and banking having served with accounting and financial institutions, both in the UK and Malaysia.

Kelly Ge joined our Group in 2004 and has been the Production Manager of Riverstone Resources (Wuxi) Co Ltd. In March 2016, she was appointed as the Acting General manager of our Group's China operations. She holds a Bachelor of Chemical Engineering from Tianjin University of Science & Technology.

CORPORATE INFORMATION

BOARD OF DIRECTORS

WONG TEEK SON
Executive Chairman & Chief Executive Officer

LEE WAI KEONG
Executive Director & Chief Operating Officer

LIM JUN XIONG STEVEN
Lead Independent Non-Executive Director

RAYMOND FAM CHYE SOON
Independent Non-Executive Director

YOONG KAH YIN
Independent Non-Executive Director

AUDIT COMMITTEE

LIM JUN XIONG STEVEN
Chairman

RAYMOND FAM CHYE SOON

YOONG KAH YIN

NOMINATING COMMITTEE

YOONG KAH YIN
Chairman

WONG TEEK SON

LIM JUN XIONG STEVEN

REMUNERATION COMMITTEE

RAYMOND FAM CHYE SOON
Chairman

LIM JUN XIONG STEVEN

YOONG KAH YIN

COMPANY SECRETARY

CHAN LAI YIN
ACS

SHARE REGISTRAR

BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

REGISTERED OFFICE

80 Robinson Road #02-00
Singapore 068898
Tel: +65 6236 3333
Fax: +65 6236 4399

AUDITORS

ERNST & YOUNG LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-charge: Wong Yew Chung
(Date of appointment: since financial year ended 31 December 2017)

FINANCIAL CONTENTS

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "**Board**") of Riverstone Holdings Limited (the "**Company**") recognises that sound corporate governance practices are important to the proper functioning of the Company and its subsidiaries (the "**Group**") and the enhancement of shareholders' value. The Board confirms that the Group has generally adhered to the principles and provisions as set out in the Code of Corporate Governance 2018 (the "**2018 Code**"), and where applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the financial year ended 31 December 2021 ("**FY2021**"). Where there is any deviation from any provisions of the Code, an explanation has been provided in this report for the variation and how the practices adopted by the Group are consistent with the intent of the relevant principle. This report should be read in totality, instead of being read separately under each principle of the Code.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Company is led by the Board who is responsible for the long-term success of the Company by setting the Group's strategy, financial objectives and risk appetite and provide leadership to the business. The Directors promote the desired culture, value and ethics within the Company and monitor the Company's overall financial performance.

The Board works closely with management to steer the Company towards its vision and create value for stakeholders. All Directors are fiduciaries who objectively make decisions at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance and governance. Directors monitor Management through various mechanisms in the form of policies established to address risk management and internal controls, promote organisational culture, conduct and ethics with appropriate tone-from-the-top through conversations in each of the meetings attended by key management personnel and Directors.

The primary function of the Board is to protect and enhance long-term shareholders' value and return. In addition to its the statutory responsibilities, the principal duties and roles of the Board include:

(a) guide formulation of the Group's overall long-term strategic objectives and directions. This include provide entrepreneurial leadership and set the strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;

(b) ensure that the necessary resources are in place for the Company to meet its strategic objectives;

(c) establish and maintain risk management system to effectively identify, monitor and manage the key potential risks, and to achieve an appropriate balance between risks and company performance, including safeguarding of shareholder's interests and the Company's assets;

(d) conduct periodic review of the Group's internal controls, financial performance, compliance practices and resource allocation;

(e) provide oversight in the proper conduct of the Group's business and assume responsibility for corporate governance;

(f) ensure the management discharges business leadership and management skills with the highest level of integrity;

CORPORATE GOVERNANCE STATEMENT

(g) consider sustainability issues relating to the environment and social factors as part of the strategic formulation of the Group;

(h) to set the Company's values and standards and to provide guidance to Management to ensure that the Company's obligations to its shareholders and the public are met; and

(i) ensure transparency and accountability to key stakeholder groups.

All Directors exercise due diligence and independent judgement in discharging their duties and responsibilities at all times as fiduciaries who act objectively in the best interests of the Company. Should any issues of conflict arise, Directors facing conflicts of interest are to disclose their interest and recuse from the discussions and decisions.

The Board has a matrix of approval which sets out the approval, limits of the Management and matters that specifically require Board's guidance. The Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, acceptances of bank facilities, annual budget, the release of the Group's quarterly financial updates and full year's results and interested person transaction of a material nature. The Board communicates matrix of approval with Management, and it is updated as the business grows.

Under the new risk-based approach, the Company adopted half-yearly reporting of financial results. However, the Board conducts scheduled meetings on a quarterly basis with the Management and the Company Secretary with detailed meeting papers.

The Company's Constitution provides for Board and Board Committees' meetings to be conducted by way of electronic means. Additional Board meetings will be convened as and when they are deemed necessary to address any significant issues that may arise in between the scheduled meetings.

In order to keep the Directors abreast of new laws, regulations, changing commercial risks and accounting standards, all Directors is updated on any amendments and requirements of the SGX-ST and other statutory changes to regulatory requirements and the Directors' obligations to the Company, from time to time, or during the Board meetings by the Management and professionals.

As at the date of this report, the Board comprises two Executive Directors and three Non-Executive Directors. All of the Non-Executive Directors are independent.

The attendance of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings held in 2021 are append below. Minutes of all Board Committee and Board meetings are circulated to members for review and confirmation. These minutes could also enable Directors to be kept abreast of matters discussed at such meetings. Directors' Resolutions by written means, as if it had been passed at the Directors' Meeting, were passed by the Directors, where appropriate.

CORPORATE GOVERNANCE STATEMENT

Attendance at Meetings

Name of Director	Board		AC		RC		NC	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Wong Teek Son	4	4	–	–	–	–	1	1
Lee Wai Keong	4	4	–	–	–	–	–	–
Low Weng Keong(1)	4	4	4	4	3	3	1	1
Albert Ho Shing Tung(2)	1	1	1	1	1	1	1	1
Raymond Fam Chye Soon	4	4	4	4	3	3	–	–
Lim Jun Xiong Steven(3)	3	3	3	3	2	2	–	–
Yoong Kah Yin(4)	3	3	3	3	2	2	–	–

Notes:

(1) Mr Low Weng Keong resigned as Lead Independent Non-Executive Director of the Company on 31 December 2021 and ceased as Chairman of the Audit Committee with effect from the same day.

(2) Mr Albert Ho Shing Tung retired as Independent Non-Executive Director at the Annual General Meeting held on 26 April 2021 and ceased as Chairman of Remuneration Committee, member of the Audit Committee and Nominating Committee.

(3) Mr Lim Jun Xiong Steven was appointed as Independent Director at the Annual General Meeting held on 26 April 2021 and member of the Audit Committee (re-designated as Chairman of AC effective 1 January 2022), Nominating Committee and Remuneration Committee with effect from the same day. Subsequently on 22 February, he was appointed as the Lead Independent Director.

(4) Mr Yoong Kah Yin was appointed as Independent Director at the Annual General Meeting held on 26 April 2021 and Nominating Committee and Remuneration Committee with effect from the same day and also a member of the Audit Committee effective 1 January 2022.

To assist in the execution of its responsibilities, the Board of Directors has formed three Board Committees, namely, Audit Committee ("**AC**"), Remuneration Committee ("**RC**") and Nominating Committee ("**NC**"). These Board Committees function within written terms of reference and operating procedures, which are reviewed on a regular basis. Each Board Committee reports to the Board with their recommendations. The ultimate responsibility for final decision on all matters lies with the entire Board. The effectiveness of each Board Committee will be constantly reviewed by the Board.

The Company has an orientation programme for newly appointed directors. They will be briefed on the profile of the Group and Management, businesses of the Group, strategic plans and mission of the Company by the Chief Executive Officer with site visits to gain a better understanding of the Group's business operations and governance practices. There will be briefing on the duties and responsibilities as a director. Training will be provided for first-time Directors in areas such as accounting, legal and industry-specific knowledge where appropriate. Existing Directors will be provided with updates on the latest governance and listing policies as appropriate from time to time. The Company shall be responsible for arranging and funding the training of Directors. Mr Lim Jun Xiong Steven and Mr Yoong Kah Yin was appointed as Independent Director at the Annual General Meeting ("**AGM**") held on 26 April 2021. Mr Yoong Kah Yin has attended training conducted by the Singapore Institute of Directors.

The Board is satisfied that the Directors have devoted sufficient time and attention to the affairs of the Company. Directors attended all meetings held during the year. A calendar of meetings is scheduled for the Board at the beginning of the year. The Directors are updated on the major events of the Group by the Management. The Directors are briefed on the strategic plans and objectives from time to time as well as receive complete and

CORPORATE GOVERNANCE STATEMENT

regular supply of information from Management about the Group's financial and operational performance, apprised of the operations in order to fully participate in Board meetings. The Directors also briefed on the execution and implementation of the Company's operations including expansion plans. Updates on the budget and variances between projections and actual results were disclosed and explained to the Board.

Detailed board papers and related materials will be prepared for each meeting of the Board. The Board papers include sufficient information and background relating to business environment, industry, financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings. The Directors are given board papers in advance of meetings for them to be adequately prepared for the meeting and senior management staff (who are not executive directors) are in attendance at Board and Board Committee meetings, whenever necessary. This enables the Board to make informed assessments of the Company's performance and prospects.

All Directors have unrestricted access to the Group's records and information to enable them to carry out their duties. Directors also liaise with senior management as and when required. In addition, Directors have separate and independent access to the Company Secretary. The Company Secretary's responsibilities are to administer, attend and prepare minutes of Board and Board Committee meetings, advising the Board on all governance matters and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and the relevant rules and regulations, including requirements of the Companies Act 1967 (the "**Act**") and the Listing Manual of the SGX-ST ("**Listing Manual**") are complied with. The appointment and the removal of the Company Secretary are decisions taken by the Board as a whole. Where the Directors, either individually or as a group, in the furtherance of their duties require professional advice, if necessary, the cost of such professional advice will be borne by the Company.

Principle 2: Board Composition and Guidance

The Board comprises five directors with three are Non-Executive and Independent Directors as at the date of this report. Independent and Non-Executive Directors make up a majority of the Board. The Independent Directors are Mr Lim Jun Xiong Steven, Mr Raymond Fam Chye Soon and Mr Yoong Kah Yin.

There is an independent element on the Board. The criteria for independence are determined based on the definition as provided in the Listing Manual and the 2018 Code. The Board considers an "independent" director as one who has no relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company and Group. Among the items the NC considers while reviewing the independence are:

1. Whether a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service.

2. Whether a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services).

CORPORATE GOVERNANCE STATEMENT

3. Whether they constitute a significant portion of the revenue of the organisation in question.

4. Whether a director who is or has been directly associated with a substantial shareholder of the company, in the current or immediate past financial year.

The Board also reviewed independence of Directors based on Rule 210(5)(d) of the Listing Manual which sets out the specific circumstances in which a director should be deemed non-independent. These circumstances include:

(a) a director who is being employed by the company or any of its related corporations for the current or any of the past three financial years;

(b) a director who has an immediate family member who is, or has been in any of the past three financial years, employed by the company or any of its related corporations and whose remuneration is determined by the RC.

The NC reviewed the declaration of independence of each director and was satisfied that all Independent Directors were considered independent for the purpose of Provision 2.1 of the 2018 Code and Rule 210(5)(d) of the Listing Manual.

With three of the Directors deemed to be independent, the Board is able to exercise independent judgment on corporate affairs and provide management with a diverse and objective perspective on issues. The Board is able to interact and work with the management team through robust exchange of ideas and views to help shape the Group's strategic direction. No individual or small group of individuals dominate the board's decision-making process. Independent Non-Executive Directors make up a majority of the Board in 2021. The Board recognises the important contribution of Independent Non-Executive directors. Independent Non-Executive directors constructively challenge and help develop proposals on strategy by providing a different perspective or wider view of external factors affecting the Company and its business environment. Independent Non-Executive Directors monitor and review the performance of management and meet without management present when required. The Lead Independent Director provides feedback to the Chairman after each such meeting.

The Board comprise businessmen and professionals with strong financial and business background, providing the necessary experience and expertise to direct and lead the Group. The Board is of the view that the current Board members comprises persons whose diverse skills, experience and attributes provide for effective direction for the Group. These include finance, banking, accounting, and tax with entrepreneurial and management experience, that includes in the manufacturing industry, and familiarity with regulatory requirements and risk management. The Board is of the view that the effective blend of skills, experiences and knowledge remains a priority so as not to compromise on capabilities without discriminating against race, religion, gender or age.

The Board has adopted a Board Diversity Policy and works towards implementing the objectives of a diverse Board to enhance its performance. A diverse Board will enhance the decision-making process of the Board through perspectives derived from the various skills, industry and business experiences, gender, age, geographies, tenures of service and other distinctive qualities of the Directors. The Board will look into implementing diversity on its Board.

The Board will constantly examine its size annually with a view to determine its impact upon its effectiveness and review its appropriateness for the nature and scope of the Group's operations. The Directors were furnished with updates on the relevant laws such as changes to the Listing Manual.

CORPORATE GOVERNANCE STATEMENT

The independence of each Independent Director is assessed annually by the NC. Particular attention is given to review and assess the independence of any director as at FY2021 who has served beyond nine (9) years from the date of appointment. Mr Low Weng Keong and Mr Albert Ho Shing Tung, who have served the Board for more than 9 years, have retired or resigned as Director of the Company on 26 April 2021 and 31 December 2021 respectively. Mr Lim Jun Xiong Steven and Mr Yoong Kah Yin were appointed as new Directors of the Company at the AGM held on 26 April 2021.

The latest profiles of the Directors are set out on pages 12 and 13 of this Annual Report.

Principle 3: Chairman and Chief Executive Officer

Mr Wong Teek Son ("**Mr Wong**") is both the Executive Chairman and Chief Executive Officer ("**CEO**") of the Company. He is not an Independent Director. The Board believes that there is no need for the role of Chairman of the Board and the CEO to be separated as there is a good balance of power and authority with all critical committees chaired by the Independent Directors. Majority of the Board comprises independent directors who expressed his views independently at all times and involved in deliberations at the Boardroom. Independent Directors provided objective and constructive challenge to the assumptions and viewpoints presented by the Chairman. There is a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual represents a considerable concentration of power.

As Executive Chairman, Mr Wong bears responsibility for the conduct of the Board. He is responsible for the effective working of the Board, ensuring adequate time available for discussion and encourage constructive relations within the Board and between the Board and Management. He is also responsible for promoting a culture of openness and debate at the Board as well as to ensure the Directors receive complete, adequate and timely information. Mr Wong is responsible to the Board for all corporate governance procedures to be implemented by the Group and to ensure conformance by the management to such practices. He maintains effective communications with shareholders of the Company.

The CEO is responsible for the day-to-day management of the business in line with the long-term success of the Company. As CEO, Mr Wong formulates and proposes strategic direction for value creation of the business. The CEO together with the Executive Director, Mr Lee Wai Keong have full executive responsibilities over the business directions and operational decisions and responsible for succession planning for key management personnel.

The Board has appointed Mr Lim Jun Xiong Steven as the Lead Independent Director of the Company, who will be available to shareholders who have concerns and for which contact through the normal channels of the Chairman or Management has failed to resolve or is inappropriate. The Lead Independent Director also provides leadership in situation where the Chairman or Director is conflicted.

Principle 4: Board Membership

As at the date of this report, the NC comprises two Independent Directors, Mr Yoong Kah Yin who is the Chairman of the NC and Mr Lim Jun Xiong Steven, as well as the CEO, Mr Wong Teek Son. The Lead Independent Director, Mr Lim Jun Xiong Steven, is also a member of the NC.

The NC's main functions as defined in the written terms of reference are as follows:

(a) make recommendations to the Board on all board appointments;

CORPORATE GOVERNANCE STATEMENT

(b) assess the effectiveness of the Board as a whole and the effectiveness and contribution of each Director to the Board;

(c) determine annually whether or not a Director is independent;

(d) recommend re-nomination and re-election of Directors; and

(e) review training and professional development programs for the Board.

With regard to the responsibility of determining annually, and as and when circumstances require, if a Director is independent, each NC member will not take part in determining his own re-nomination or independence. Each Director is required to submit a return of independence to the Company Secretary as to his independence, who will submit the returns to the NC. The NC shall review the returns and determine the independence of each of the Directors and recommend to the Board. An Independent Director shall notify the NC immediately, if as a result of a change in circumstances, he no longer meets the criteria for independence. The NC shall review the change in circumstances and make its recommendations to the Board. During the year, the NC has reviewed (with each NC member who is an Independent Director recused himself from determining his own independence) and determined that Mr Lim Jun Xiong Steven, Mr Raymond Fam Chye Soon and Mr Yoong Kah Yin are independent having regard the circumstances set forth in the Listing Manual and 2018 Code. The Independent Directors do not have any relationship with the Company, related corporations, its substantial shareholders or officers. The Independent Directors are not employees of any company within the Group.

All Directors have to submit themselves for re-election at regular intervals or at least once every three years in accordance with the Company's Constitution. Pursuant to Rule 720(5) of the Listing Manual, Mr Wong Teek Son and Mr Raymond Fam Chye Soon are due for retirement by rotation at the forthcoming AGM. The NC has recommended to the Board for the re-election of Mr Wong Teek Son and Mr Raymond Fam Chye Soon. In reviewing the nomination of director for re-appointment at the forthcoming AGM, the NC has considered criteria such as the Director's contribution, participation, preparedness and attendance. Mr Wong Teek Son and Mr Raymond Fam Chye Soon respectively has consented to re-election at the forthcoming AGM. Additional information on Mr Wong Teek Son and Mr Raymond Fam Chye Soon, is enclosed in this Annual Report.

The Board concurred with the NC to continuously review the need for progressive refreshing of the Board which should come without undue disruptions and take into account the scope and nature of the operations of the Company. As part of Board rejuvenation for independent directors appointed on the Board for more than 9 years, an Independent Director retired at the AGM held in April 2021 while the Lead Independent Director served on the Board and Chairman of the AC until 31 December 2021. The NC is responsible for the review of succession planning of Director. The NC has considered recommendations for new Directors, review their qualifications, experiences and directorship and ability to contribute towards the core competencies of the Board. The NC would interview with such candidates, before a decision is made on a selection. The criteria for identifying candidates and reviewing nominations for appointments shall include diversity of gender, skills and experience in the pool of candidates evaluated for new appointment to the Board. When sourcing for, and assessing potential candidates, the NC considers the candidate's track record, age, experience, and capabilities. The NC presently taps on the personal contacts of current directors and senior management for recommendation of prospective candidates.

CORPORATE GOVERNANCE STATEMENT

The Board has not determined the maximum number of listed company board representation which any Director may hold. Although the Non-Executive Directors hold directorships in other companies which are not in the Group, the Board is of the view that such multiple board representations, especially in listed companies, do not hinder them from having attended their duties as Directors. These Directors would widen the experience of the Board and give it a broader perspective. The Board, except the independent and non-executive Directors with multiple directorships, has confirmed that the independent and non-executive Directors have committed sufficient time, attention, resources and expertise to the affairs of the Company.

Where new appointments are required, the NC will consider specific skills set required and recommendation for new Directors, review their qualifications and interview with such candidates before any decision is made on a selection. In view of the foregoing, the Board is of the view that there is an adequate process for the appointment of new Directors. The criteria for identifying candidates and reviewing nomination for appointments shall include gender diversity in the pool of candidates evaluated for new appointments to the Board. There was no other change in the Executive Directors or senior management during the financial year.

The NC reviews succession planning for the CEO and key management personnel including a contingency plan in the absence of CEO and key management personnel to ensure continuity of leadership.

Summary of activities in 2021
• Reviewed structure, size and composition of the Board and Board Committees;
• Reviewed independence of Directors;
• Reviewed and initiate process for evaluating Board, Board Committee, Chairman and individual Directors performance;
• Reviewed results of performance evaluation and feedback to the Chairman and Board Committees;
• Reviewed the need to progressive refreshing of the Board;
• Considered recommendations for new Director, review their qualifications and meet with such candidates, before a decision is made on a selection;
• Reviewed succession planning for Chairman, CEO and key management personnel and notified the Board;
• Reviewed Board Diversity policy; and
• Discussed information required to be reported under the 2018 Code or Listing Manual.

CORPORATE GOVERNANCE STATEMENT

Details of other principal commitments of the Directors are set out in the Directors' Profile of this Annual Report.

Name of Directors	Date of first appointment	Date of last re-election	Nature of Appointment	Membership of Board Committee	Directorship/ chairmanship both present and those held over the preceding three years in other listed company
Wong Teek Son	3 August 2005	3 June 2020	Executive Chairman/ Chief Executive Officer	Member of Nominating Committee	None
Lee Wai Keong	3 August 2005	23 April 2018	Executive Director/ Chief Operating Officer	None	None
Lim Jun Xiong Steven	26 April 2021	26 April 2021	Independent Director	Lead Independent Director, Chairman of the Audit Committee and member of the Remuneration Committee	• Emerging Towns & Cities Singapore Ltd (Resigned on 5 April 2021) • Mirach Energy Limited (Resigned on 30 April 2021) • Keong Hong Holdings Limited (Resigned on 31 December 2021) • Hong Fok Corporation Limited • Sinarmas Land Ltd • Livingstone Health Holdings Limited • Bund Center Investment Limited
Raymond Fam Chye Soon	3 June 2020	3 June 2020	Independent Director	Chairman of Remuneration Committee and member of Audit Committee	None
Yoong Kah Yin	26 April 2021	26 April 2021	Independent Director	Chairman of Nominating Committee and member of the Remuneration and Audit Committee	• Red Sena Berhad • Success Transformer Corporation Berhad • Kejuruteraan Asastera Berhad

Principle 5: Board Performance

The Board performance is ultimately reflected in the performance of the Group. The Board should ensure compliance with the applicable laws and the Board members should act in good faith, with due diligence and care in the best interests of the Company and its shareholders. An effective Board is able to lend support to management at all times and to steer the Group in the right direction.

CORPORATE GOVERNANCE STATEMENT

More importantly, the Board, through the NC, has used its best effort to ensure that Directors appointed to the Board whether individually or collectively possess the background, experience, relevant sector knowledge, competencies in finance and management skills critical to the Group's business. It has also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The Board has a formal process for assessing the effectiveness and performance of the Board as a whole and its Board Committees with objective performance criteria and contribution of by the Chairman and each individual director to the effectiveness of the Board. The performance criteria remained the same as last year. The Chairman, in consultation with the NC, may where appropriate propose new members to be appointed to the Board or seek the resignation of Directors. The Board assessment takes into consideration both qualitative and quantitative criteria, such as return on equity, success of the strategic and long-term objectives set by the Board and the effectiveness of the Board in monitoring the Management's performance against the goals that had been set by the Board. Each member of the NC abstained from deliberations in respect of the assessment of his own performance. All feedback and comments received from Directors are reviewed by the NC, in consultation with the Chairman of the NC and Board. External consultants were not engaged in the annual assessment. There was no change in the process for the assessment of the performance of the Board as a whole and its Board Committees with objective performance criteria and contribution of by the Chairman and each individual director to the effectiveness of the Board.

Based on the NC's review, the Board and the various Board Committees operate effectively and each Director continues to contribute to the overall effectiveness of the Board.

REMUNERATION MATTERS

Principle 6 – Procedures for Developing Remuneration Policies
Principle 7 – Level and Mix of Remuneration
Principle 8 – Disclosure on Remuneration

The RC comprises three Independent Directors, namely and Mr Raymond Fam Chye Soon, Mr Lim Jun Xiong Steven and Mr Yoong Kah Yin as at the date of this report. Mr Raymond Fam Chye Soon is the Chairman of the RC.

The RC's responsibilities as written in the terms of reference include recommending to the Board:–

(a) ensuring a formal and transparent procedure for developing policy on executive remuneration, and for fixing the remuneration packages of individual Directors and senior management;

(b) reviewing the remuneration packages with the aim of building capable and committed management teams through competitive compensation and focused management and progressive policies;

(c) recommending to the Board, a framework of remuneration for the Board and the key management personnel of the Group covering all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share options, benefits-in-kind and specific remuneration packages for each Director and key management personnel;

(d) considering the various disclosure requirements for Directors' remuneration, particularly those required by regulatory bodies such as SGX and to ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties;

CORPORATE GOVERNANCE STATEMENT

(e) any appropriate extensions or changes in the duties and powers of the RC;

(f) retaining such professional consultancy firm as the RC may deem necessary to enable it to discharge its duties hereunder satisfactorily; and

(g) carrying out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time.

In carrying out their duties, the RC may obtain independent external legal and other professional advice as mentioned above, as it deems necessary, relating to the remuneration policy and in determining the level and mix of remuneration for Directors and key management personnel. The expenses of such advice shall be borne by the Company.

In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance, risk policies and the performance of individual directors.

The Executive Directors do not receive Directors' fees. Mr Wong Teek Son, the Executive Chairman and CEO with one of the Executive Director, namely Mr Lee Wai Keong, are paid a basic salary and a performance-related profit sharing bonus. No Director will be involved in deciding his own remuneration.

During unprecedented times such as the COVID-19 pandemic, the Executive Directors had accepted lower performance-related profit sharing bonus and shared the adjustment as bonus to all staff in recognition of their effort and resilience and as a token of encouragement to stay united as a Group for the long-term services of the Company.

The Independent and Non-Executive Directors do not have any service agreements with the Company. Non-Executive Directors are compensated based on a fixed annual fee taking into consideration their respective contributions and attendance at meetings. Their fees are recommended to shareholders for approval at the AGM. The Board is satisfied that Non-Executive Directors are not overcompensated to the extent that their independence are compromised and the non-executive directors' fees have remain unchanged since FYE 31 December 2015.

The Company had engaged an external remuneration consultant, HR Guru to review the remuneration of Independent Non-Executive Directors for the financial year ending 31 December 2022 through benchmarking study, responsibilities vested and effort and time commitment required from the Independent Non-Executive Directors given the complexities of the business and business structure. This is to ensure the remuneration of Independent Non-Executive Directors is appropriate to the level of contribution taking into account factors such as effort, time spend and responsibilities.

The RC reviewed the service agreement of the CEO, Mr Wong Teek Son ("**Mr Wong**"). Under Mr Wong's service agreement, Mr Wong was appointed as CEO of the Company for a fixed period of three (3) years ("**Initial Term**") with effect from the date of the Company's admission to the official List of SGX-ST. After the Initial Term, the service agreement shall be automatically renewed unless terminated by either party giving the other not less than 6 months' prior written notice or terminated in accordance with the terms of the service agreement.

The RC discussed and reviewed the remuneration of the Directors, CEO and key management personnel. No Directors or member of the RC shall be involved in deciding his own remuneration, except for providing information and documents specifically requested by the RC to assist in its deliberation.

CORPORATE GOVERNANCE STATEMENT

Having reviewed and considered the variable components of the Executive Chairman, Executive Director and Chief Financial Officer ("**CFO**"), and key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentives from the Chairman and CEO and key management personnel in exceptional cases of wrong doings.

The remuneration (including salary, bonus, directors' fees, performance-related profit-sharing bonus and benefits-in-kind) paid to Directors and top 7 management personnel of the Group (who are also non-Directors) on an individual basis and in remuneration bands during the financial year are as follows:

Remuneration Band and Name of Directors	Salaries, allowances and benefits-in-kind	Bonus	Profit sharing	Directors' Fees	Total %
S$2,000,000 and to below S$2,250,000					
Wong Teek Son	10%	–	90%	–	100%
S$1,750,000 and to below S$2,000,000					
Lee Wai Keong	8%	–	92%	–	100%
S$1,500,000 and to below S$1,750,000					
NIL					
S$1,250,000 and to below S$1,500,000					
NIL					
S$1,000,000 and to below S$1,250,000					
NIL					
S$750,000 and to below S$1,000,000					
NIL					
S$500,000 and to below S$750,000					
NIL					
S$250,000 and to below S$500,000					
NIL					
Below S$250,000					
Albert Ho SHing Tung	–	–	–	100%	100%
Low Weng Keong	–	–	–	100%	100%
Lim Jun Xiong Steven	–	–	–	100%	100%
Raymond Fam Chye Soon	–	–	–	100%	100%
Yoong Kah Yin	–	–	–	100%	100%

CORPORATE GOVERNANCE STATEMENT

Remuneration Band and Name of top 7 key management personnel	Salaries, allowances and benefits-in-kind	Bonus	Profit sharing	Directors' Fees	Total
S$1,000,000 and to below S$1,250,000					
Wong Teck Choon	8%	–	92%	–	100%
S$250,000 and to below S$500,000					
Chee Mei Chuan	6%	–	94%	–	100%
Below S$250,000					
Dumrongsak Aroonprasertkul	34%	–	66%	–	100%
Lim Sing Poew	73%	27%	–	–	100%
Tan Wang Thing	69%	31%	–	–	100%
Casey Khor Kuan Ching	70%	30%	–	–	100%
Kelly Ge	81%	19%	–	–	100%

For competitive reasons, the Company is not disclosing each individual Director's remuneration. Instead, the Company is disclosing the remuneration of each Director in bands of S$250,000. To maintain confidentiality of staff remuneration and to prevent poaching of key management personnel in the competitive industry, the Company has not disclosed the aggregate remuneration paid to the top 7 key management personnel of the Group in this report. The Board is of the view that specific remuneration disclosure of individual directors (including CEO) and aggregate total remuneration of top seven (7) key management personnel is not in the best interest of the Company considering the competitive industry and it may adversely affect the Company's talent retention efforts, given the sensitive nature in the industry for key talent.

Mr Wong Teek Son and Mr Wong Teck Choon are brothers. The Group does not have any employees who are immediate family members of a Director or the CEO and or a substantial shareholder of the Company whose remuneration exceeded S$100,000 for the FY2021.

Summary of activities in 2021
• Reviewed and approved fixed remuneration, total cash remuneration and total remuneration for executives;
• Discussion on remuneration packages of employees in the Group which includes salary adjustments and bonus;
• Reviewed remuneration package of the Executive Directors and CEO which includes salary and profit sharing bonus; and
• Reviewed remuneration package of the Independent Non-Executive Directors.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

CORPORATE GOVERNANCE STATEMENT

The Board considers it is necessary to increase emphasis on risk management and internal controls in a complex business and economic environment. The Board oversees that Management maintains a sound system of risk management and internal controls to safeguard shareholder's interests and Company's assets. The Board has adopted an enterprise risk management framework to ensure that a robust risk management and internal controls are in place. The head of departments had oversight of the Group's risk governance as follow:

- Review the effectiveness of the Group's risk management systems and their controls and also identify key risks;
- Implement risk management policies, processes, assessment and mitigation of risks; and
- Oversee and advise the Board on the Group's risk management and internal controls.

The Board as a whole undertakes the oversight responsibilities in respect of risk governance of the Group. Based on the Group's business and operations, the Board agreed a separate Board Risk Committee will not be effective to preserve corporate governance.

The risk register will be updated and assessments carried out periodically. The risk register is to capture the significant business risks and internal controls to mitigate these risks. Summary report of the review of the effectiveness of the internal controls systems will be prepared for the consideration by the Board periodically. These reports include assessment of the Group's key risks and plans undertaken to manage key risks.

Self-assurance process to evaluate and manage risks effectively is initiated by the head of departments. External auditor reports to the AC and Board on the operations of the internal controls as part of the annual or continuance audit of the Group. Internal auditor provides assessment on the adequacy and effectiveness of the Group's risk management and internal control framework in addressing the financial, operational, compliance risks and information technology systems.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by Management, Board Committees and the Board, the Board is satisfied that the Group's risk management systems and internal controls (including financial, operational, compliance and information technology) were adequate and effective as at FY 2021. The AC concurred with the Board's comments on the adequacy and effectiveness of internal controls (including financial, operational, information technology and compliance) and risk management systems. These controls are and will be continually assessed for improvement. The AC assists the Board to oversee the Company's risk management framework and policies.

Subsequent to the close of financial year end FY2021, international bodies and national governments have imposed sanctions with the aim of achieving foreign policy or national security goals. Although the Group has principal place of business outside Singapore with customers overseas, none of the Group's person or entity is exposed to sanctions-related risks. The Board confirmed there has been no material change in its risk of being subject to any Sanctions Law. The Board's comment on the adequacy and effectiveness of internal controls and risk management systems included consideration related to any sanctions-related risk. The AC concurred with the Board's comment.

The Board received assurance in writing from CEO and CFO that financial records have been properly maintained and financial statements of the Company give a true and fair view of the Company's operations and finance. The assurance from CEO and CFO also includes effectiveness of the Company's risk management and internal control systems (including financial, operational, compliance and information technology). However, the Board also notes that no system of internal controls and risk management systems can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE STATEMENT

Principle 10: Audit Committee

The AC comprises three Independent Directors, namely Mr Lim Jun Xiong Steven, Mr Raymond Fam Chye Soon and Mr Yoong Kah Yin as at the date of this report. Mr Lim Jun Xing Steven is the Chairman of the AC.

All three members bring with them invaluable managerial and professional expertise in the financial, taxation, legal and business management spheres. The AC holds periodic meetings and reviews primarily with the Group's external auditors and internal auditors and its executive management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group.

The AC carries out the functions set out in the written terms of reference which include:

– To review the financial statements, the written reports from internal and external auditors, the internal auditors' evaluation of the system of internal accounting controls, the scope and results of the internal audit procedures, the cost effectiveness, independence and objectivity of the external auditors and interested person transactions;

– making recommendation to the Board on (i) the proposals to the shareholders on the appointment, re-appointment or removal of external auditors, remuneration and terms of engagement of external auditors;

– Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal controls and risk management audit function; and

– Reviewing the assurance from the CEO and the CFO on the financial records and financial statements.

The AC will be responsible for (a) monitoring the issuer's risk of becoming subject to, or violating, any Sanctions Law; and (b) ensuring timely and accurate disclosures to SGX and other relevant authorities. The AC terms of reference will be reviewed to include assessment in relation to the sanctions-related risks.

The AC has explicit authority by the Board to investigate any matter within its terms of reference, and has full and unlimited access to, and the co-operation of, the management and resources which are necessary to enable it to discharge its functions properly. It also has full discretion to invite any executive director or executive officer to attend its meetings. The AC meets with the internal auditors and the external auditors separately, at least once a year, without the presence of management, to discuss the reasonableness of the financial reporting process, to monitor and review the adequacy of audit arrangements with particular emphasis on the observations and recommendations of the external auditors. During the year, the AC has reviewed the scope and quality of their audits and the independence and objectivity of the external auditors as well as the cost effectiveness. It also reviewed all audit and non-audit fees paid to the external auditor. Please refer to page 64 for details of the audit and non-audit fees. The AC received update on changes in accounting standards from external auditors periodically. During the year, the AC was updated on the key changes to Regulatory and Reporting Accounting Standards by the external auditors and apprised of the impact to the Company's financial statements. The AC also received the Audit Quality Indicators from the external auditors.

The AC agreed that the Key Audit Matters ("KAM") highlighted by the external auditors was the appropriate area to focus on. The AC examined the findings on the KAM together with the external auditors and Management. In the KAM, the AC reviewed and accepted their assessment, judgements and estimates on the significant matter reported by the external auditors. The AC concurred with the external auditors regarding the KAM.

CORPORATE GOVERNANCE STATEMENT

The AC had reviewed the non-audit related work carried out by the external auditors, Messrs Ernst & Young LLP, during the current financial year and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC is satisfied that the Company's auditors are still able to meet the audit requirements and statutory obligation of the Company. The AC had recommended to the Board the re-appointment of Messrs Ernst & Young LLP as the Company's external auditors at the forthcoming AGM.

The Group has appointed different auditors for its overseas subsidiaries. The Board and the AC are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Company is in compliance with Rule 712 and 715 of the Listing Manual.

The Company had established a whistle blowing policy to enable persons employed by the Group a channel to report any suspected non-compliance with regulations, policies, fraud and/or other matters to the appropriate authority for resolution, without any prejudicial implications for these employees and identity of the whistleblower is kept confidential. The AC is vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention. The Group has a well-defined process which ensures independent investigation of such matters and the assurance that employees will be protected from reprisals, within the limits of the law. The AC is responsible for oversight and monitoring of whistleblowing policy.

The AC does not have a former partner or director of the Company's existing auditing firm acting as a member within 12 months commencing on the date of directors ceasing to be a partner of the auditing firm or has any financial interest in the auditing firm.

Summary of activities for FY2021
• Reviewing quarterly financial statements and announcements and recommend to the Board;
• Reviewing financial and operating performance of the Group;
• Reviewing budget and forecasts as presented by Management;
• Reviewing interested person and related party transactions;
• Reviewing the audit report from the external auditor, including areas of audit emphasis and key audit matters, findings and progress of Management's actions as well as update on new accounting standards with status of Management's implementations;
• Evaluating and recommending the re-appointment of the external auditors, review of audit fees, provision of non-audit services, objectivity and independence and review of the audit plan;
• Reviewing the internal audit plan (including progress, implementation of management actions, changes to the plan and auditable entity) and follow-up actions;
• Reviewing the adequacy and effectiveness of the internal controls (including financial, operations, compliance and information technology) and risk management systems with reference to the Internal Control Framework and Statement of Internal Controls with the internal auditor;
• Reviewing the adequacy and effectiveness, independence and scope of the internal audit function and approve the auditing firm to which the internal function is outsourced including audit resources and its appropriate standing within the Group; and
• Meeting with the external auditor and internal auditor without the presence of Management.

CORPORATE GOVERNANCE STATEMENT

The internal audit function of the Group is outsourced to an auditing firm. The AC had considered the independence, skills and experience of the firm prior to making recommendation to the Board for their appointment. The AC approves the hiring, removal, evaluation and compensation of the internal audit firm. The Audit Committee ("**AC**") is satisfied with the independence and effectiveness of the internal audit function.

The AC reviews the audit plan of the internal auditors, ensures that adequate resources are directed to carry out those plans and will review the results of the internal auditors' examination of the Group's system of internal controls and risk management. The AC is satisfied that the internal audit function is adequately resourced after it has been outsourced to an auditing firm and has appropriate standing within the Company. The internal auditor has access to all records including access to the AC. The internal auditors reports directly to the Chairman of the AC. The AC reviews the adequacy and effectiveness of the internal audit function annually.

The Company has engaged Crowe Governance Sdn Bhd ("**Crowe Governance**") as the internal auditor to perform the Company's internal audit function. Crowe Governance is a Corporate Member of the Malaysian Institute of Internal Auditors and is guided by The Institute of Internal Auditors Inc. International Professional Practice Framework in the delivery of their internal audit services.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings
Principle 12: Engagement with Shareholders

The Board is accountable to the shareholders and is mindful of its obligation to provide a balanced and understandable of material information to shareholders, investors and public. This allows shareholders to assess its performance, position and prospects.

The Board treats all shareholders fairly and equitably and seeks to protect and facilitate exercise of shareholder's rights.

The Company ensures that there are separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman declares the number of proxy votes received both for and against each separate resolution.

Results and other material information are released on a timely basis for dissemination to shareholders and the public in accordance with the requirements of the SGX-ST. All material information and financial results are released through SGXNET, media and analyst briefings. The media and analyst briefings would be attended by key management. The Company has appointed an Investor Relations ("**IR**") firm in Singapore, Financial PR Pte Ltd, to manage all its investor relations affairs, including but not limited to establish and maintain regular dialogue with shareholders. The Company conducts investor briefings after the release of its financial results, inviting analysts, fund managers, both mainstream and non-mainstream media and shareholders of the Company, in an effort to promote regular, effective and fair flow of information between shareholders and its stakeholders. All presentation slides made during the investor briefings are uploaded via SGXNET. Shareholders may contact the Company with questions and through which the Company may responds to such questions.

CORPORATE GOVERNANCE STATEMENT

Currently, the Company does not have a fixed dividend policy but strives to achieve the objective of maximising shareholders value by balancing the amount of dividends paid with keeping sufficient funds for future growth. In consideration for dividend payment, the Company takes into account, among other factors, current cash position, future cash needs, profitability, retained earnings and business outlook. It has been declaring dividend payments each and every year since its public listing. For FY2021, the Company had paid interim dividend of RM0.10 per share (tax-exempt 1-tier). The Company have recommended a special interim tax-exempt (one-tier) dividend on RM0.10 per share (tax-exempt 1-tier) for the financial year ended 31 December 2021 payable on 6 April 2022. In addition, the Company have recommended a final tax-exempt (one-tier) dividend on RM0.28 per share (tax-exempt 1-tier) for the financial year ended 31 December 2021 payable on 19 May 2022 subject to shareholders approval at the AGM on 25 April 2022.

The AGM of the Company is a principal forum for dialogue and interaction with all shareholders. The Company's Constitution allows shareholders the right to appoint a proxy to attend and vote on their behalf of the shareholder's meetings. The electronic Annual Report and notice of AGM are made available on the Company's website www.riverstone.com.my. At general meetings, separate resolutions on each separate issue will be tabled for approval by shareholders. Shareholders will be given the opportunity to voice their views and to direct questions regarding the Group to the Directors including the chairpersons of each of the Board committees.

All Directors attend AGM and are available to address questions. The external auditors are also present to assist the Directors in addressing any relevant queries by shareholders. Shareholders are encouraged to attend the AGM of the Company to ensure a high level of accountability and to stay informed of the Company's strategy and goals. The Board allows all shareholders to exercise its voting rights by participation and voting at general meetings. All resolutions put to vote by poll in the presence of independent scrutineers and the detailed results were released to SGX-ST after the meeting. As the present Constitution of the Company does not have a provision to allow shareholders to vote in absentia, via methods such as e-mail, fax, etc., and the legal and regulatory environment is not entirely conducive for voting in absentia, the Company does not allow a shareholder to vote in absentia at general meetings. The introduction of absentia voting methods will be deferred until it is appropriate to do so.

The AGM held on 26 April 2021 was conducted in accordance with the COVID-19 (Temporary Measure) (Alternative Arrangements for meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Due to COVID-19 restrictions, there was no physical attendance at the AGM which was conducted by electronic means. Shareholders watched the AGM proceedings through live webcast or live audio stream. Shareholders could not vote at the AGM held by electronic means and have appointed the Chairman as proxy to vote on their behalf. As shareholders could not ask questions at the AGM, shareholders were given the opportunity to submit questions prior to the AGM. The Company had on 23 April 2021 replied to the relevant and substantial questions submitted in advance by shareholders and the said reply was released via SGXNET.

Minutes of general meetings include substantial and relevant queries or comments from shareholders and responses from the Board and Management relating to the agenda of the meeting. These minutes would be available to shareholders upon their request. The Company published minutes of the AGM via SGXNET on 20 May 2021.

The Company's website at www.riverstone.com.my provides corporate information, the latest financial results, annual report and various other announcements. The Company does not practice selective disclosure. Price-sensitive information is first publicly released via SGXNET, either before the Company meets with any group of investors or analysis or simultaneously with such meetings.

CORPORATE GOVERNANCE STATEMENT

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Company engages its stakeholders through different channels to establish, address and monitor the material environmental, social and governance (ESG) factors of the Company's operation and its impact on the various stakeholders.

The Company engages stakeholders with the various channels that are already in place, to better understand its stakeholders' concerns, and address any issues that they may face. Engagement channels and frequencies are reviewed periodically to ensure that they are sufficient to deal with current identified stakeholders' ESG-related issues.

The Company is committed to enhance and improve the current engagement initiatives, while staying abreast of new trends or developments that may affect the sustainability standing of the Company, and eventually devise corresponding measures to resolve the new ESG issues. For more information on the Company's approach to stakeholder engagement and materiality assessment, please refer to the Company's Sustainability Report which will be available on or before 31 May 2022.

DEALINGS IN SECURITIES

(Listing Manual Rule 1207(19))

The Group has adopted an internal code on dealings in securities in its shares that are applicable to all the Group, its officers including Directors, management staff and employees in possession of confidential information. The Group, the Group's Directors and affected employees are also expected to observe insider-trading laws at all times and are not allowed to deal in securities on short term considerations or while in possession of price-sensitive information or during the period commencing one month before announcement of the Company's half yearly results and Company's full year financial statements, as the case may be, and ending on the date of the relevant results.

This internal code has been disseminated to Directors and affected employees. A copy of the code on dealings in securities is also issued to any new affected employees at the time of them joining the Group.

INTERESTED PERSON TRANSACTIONS

(Listing Manual Rule 907)

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out at arm's length and on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders.

The Company does not have an Interested Person Transactions Mandate.

CORPORATE GOVERNANCE STATEMENT

The transaction with an interested person for FY2021 is as follow:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
Hoe Hup Heng Engineering – Purchase of stainless steel equipment and machinery and provision of repair and maintenance services	Partners of Hoe Hup Heng Engineering are Kuan Ban Hoe and Kuan Thye Ho, both of whom are the brothers-in-law of our Executive Chairman and CEO, Mr Wong Teek Son	S$290,405	(equivalent to RM914,054)	S$0	(equivalent to RM0)

Apart from the above, there were no other interested person transactions during the financial year.

MATERIAL CONTRACTS

(Listing Manual Rule 1207(8))

Save for the service agreement between the CEO and the Company, there are no material contracts entered into by the Company and its subsidiaries involving the interest of CEO, any director or controlling shareholder, which are subsisting at the end of FY2021.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Riverstone Holdings Limited (the "Company") and its subsidiary companies (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Wong Teek Son	(Chairman)
Lee Wai Keong	
Lim Jun Xiong Steven	(Appointed on 26 April 2021)
Raymond Fam Chye Soon	
Yoong Kah Yin	(Appointed on 26 April 2021)

Arrangements to enable directors to acquire shares and debentures

Except as disclosed in the report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company as stated below:

	Direct interest		Deemed interest	
	As at 1 January 2021	As at 31 December 2021	As at 1 January 2021	As at 31 December 2021
Ordinary shares of the Company				
Wong Teek Son	**6,078,000**	**8,868,000**	**752,133,120**(1)	**752,133,120**(1)
Lee Wai Keong	**130,791,600**	**130,791,600**	**–**	**–**

(1) Deemed interested in the shares, in which Credit Suisse Trust Limited, as trustee of The Ringlet Trust (the "Trust") is deemed interested in, on account of Wong Teek Son being a beneficiary of the Trust.

DIRECTORS' STATEMENT

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2022.

By virtue of Section 7 of the Singapore Companies Act 1967, Wong Teek Son is deemed to have interests in shares of the subsidiary companies to the extent held by the Company.

Except as disclosed in this report, since the end of the previous financial year, no director of the Company who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or related corporations either at the beginning of the financial year or at the end of the financial year.

Share options

During the financial year, there was:

(a) no option granted by the Company to any person to take up unissued shares in the Company; and

(b) no share issued by virtue of any exercised option to take up unissued shares of the Company.

As at the end of the financial year, there was no unissued share of the Company under option.

Audit Committee

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. The functions performed are detailed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Wong Teek Son
Director

Lee Wai Keong
Director

25 March 2022

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Independent Auditor's Report to the Members of Riverstone Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Riverstone Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company and the statement of comprehensive income and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Key Audit Matters (Continued)

Revenue recognition

Revenue for the year ended 31 December 2021 amounted to RM3,082.45 million (2020: RM1,829.88 million). The Group's revenue recognition policy is to recognise revenue at a point in time upon the satisfaction of performance obligations by transferring control of the goods to the customer. This policy also applies to the sale of consignment goods. The timing of the transfer of control of goods to the customer (including products sold by consignees to end customers) is defined by the specific agreement or shipping terms agreed with the customers. Incorrect determination of the point at which control of goods is transferred to customers could affect the timing of revenue recognition. In addition, part of the remuneration of the key management personnel of the Group are based on the performance-related incentive bonus scheme. Accordingly, we have identified this as a key audit matter because revenue could be recognised in the incorrect financial period for sales transactions occurring near or on the year-end and could be overstated to achieve performance targets.

As part of our audit procedures, we evaluated the appropriateness of the Group's revenue recognition accounting policies. We obtained an understanding of management's internal controls over the revenue process (including consignment sales) and placed specific attention on the timing of the revenue recognition. We tested, on a sample basis, sales transactions taking place near to or after the balance sheet date by evaluating the agreed delivery terms, checking against inventory reports provided by the consignees or utilisation report provided by the customer to assess whether the sales transactions were recognised in the correct financial year. We also considered the results of confirmations received from customers with significant balances outstanding as at year end. For material credit notes issued after the balance sheet date, we performed procedures to assess whether the related sales transactions were recognised in the correct financial year. In addition, we performed trend analysis of sales by products by comparing against prior year, and assessed if the variances were within our expectations based on our understanding of the Group's business taking into consideration of the current economic environment. For subsidiaries with significant sales, we performed correlation analysis to analyse the relationship between revenue, trade receivables and cash to identify outliers, if any, or trends not within our expectations of the Group's business.

We also considered the adequacy of the disclosures regarding the Group's revenue in Notes 2.19 and 4 to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report and directors' statement set out on page 37 to 38, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Yew Chung.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

25 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Revenue	4	**3,082,447**	1,829,882
Cost of sales		**(1,175,615)**	(932,269)
Gross profit		**1,906,832**	897,613
Other income		**18,169**	4,680
Selling and distribution expenses		**(28,410)**	(22,010)
General and administrative expenses		**(48,555)**	(34,427)
Other operating income/(expenses) – net		**10,703**	(4,148)
Operating profit		**1,858,739**	841,708
Finance costs		**(150)**	(355)
Profit before taxation	5	**1,858,589**	841,353
Income tax expense	6	**(440,696)**	(194,099)
Profit for the year		**1,417,893**	647,254
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gain/(loss)		**1,117**	(5,585)
Other comprehensive income for the year		**1,117**	(5,585)
Total comprehensive income for the year		**1,419,010**	641,669
Profit attributable to:			
Equity holders of the Company		**1,417,893**	647,254
Non-controlling interests		**–**(1)	–(1)
		1,417,893	647,254
Total comprehensive income attributable to:			
Equity holders of the Company		**1,419,010**	641,669
Non-controlling interests		**–**(1)	–(1)
		1,419,010	641,669
Earnings per share	7		
Basic (sen)		**95.66**	43.67
Diluted (sen)		**95.66**	43.67

(1) Denotes amounts less than RM500.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current assets					
Property, plant and equipment	8	**691,194**	587,281	**–**	–
Investments in subsidiary companies	9	**–**	–	**202,794**	199,236
Deferred tax assets	16	**823**	570	**–**	–
		692,017	587,851	**202,794**	199,236
Current assets					
Inventories	10	**153,012**	121,989	**–**	–
Trade receivables	11	**232,009**	319,735	**–**	–
Other receivables	12	**2,755**	1,213	**153,754**	20,064
Prepayments		**5,404**	4,963	**58**	57
Derivatives	15	**1,335**	2,931	**–**	–
Tax recoverable		**145**	145	**–**	–
Fixed deposits	13	**982,933**	296,707	**417,096**	281,522
Cash at banks and in hand	13	**629,998**	352,236	**7,334**	5,526
		2,007,591	1,099,919	**578,242**	307,169
Total assets		**2,699,608**	1,687,770	**781,036**	506,405
Current liabilities					
Payables and accruals	14	**152,849**	166,376	**305**	332
Borrowings	17	**1,578**	6,516	**–**	–
Contract liabilities	4	**6,187**	15,415	**–**	–
Provision for taxation		**151,396**	93,586	**31**	31
		312,010	281,893	**336**	363
Net current assets		**1,695,581**	818,026	**577,906**	306,806
Non-current liabilities					
Borrowings	17	**–**	1,542	**–**	–
Employee benefit obligations		**531**	511	**–**	–
Deferred tax liabilities	16	**54,610**	45,727	**–**	–
		55,141	47,780	**–**	–
Total liabilities		**367,151**	329,673	**336**	363
Net assets		**2,332,457**	1,358,097	**780,700**	506,042
Equity attributable to owners of the Company					
Share capital	18	**156,337**	156,337	**156,337**	156,337
Treasury shares	19	**(815)**	(815)	**(815)**	(815)
Reserves		**2,176,930**	1,202,570	**625,178**	350,520
		2,332,452	1,358,092	**780,700**	506,042
Non-controlling interests		**5**	5	**–**	–
Total equity		**2,332,457**	1,358,097	**780,700**	506,042
Total equity and liabilities		**2,699,608**	1,687,770	**781,036**	506,405

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	Attributable to equity holders of the Company						
	Share capital (Note 18) RM'000	Treasury shares (Note 19) RM'000	Retained earnings RM'000	Other reserves (Note 20) RM'000	Total reserves RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 January 2020	156,337	(815)	672,189	(38,291)	633,898	5	789,425
Profit for the year	–	–	647,254	–	647,254	–[(1)]	647,254
Other comprehensive income for the year	–	–	–	(5,585)	(5,585)	–	(5,585)
Total comprehensive income for the year	–	–	647,254	(5,585)	641,669	–[(1)]	641,669
Dividends (Note 21)	–	–	(72,997)	–	(72,997)	–[(1)]	(72,997)
Transfer to statutory reserve (Note 20)	–	–	(1,041)	1,041	–	–	–
Balance at 31 December 2020	156,337	(815)	1,245,405	(42,835)	1,202,570	5	1,358,097
Balance at 1 January 2021	**156,337**	**(815)**	**1,245,405**	**(42,835)**	**1,202,570**	**5**	**1,358,097**
Profit for the year	**–**	**–**	**1,417,893**	**–**	**1,417,893**	**–**[(1)]	**1,417,893**
Other comprehensive income for the year	**–**	**–**	**–**	**1,117**	**1,117**	**–**	**1,117**
Total comprehensive income for the year	**–**	**–**	**1,417,893**	**1,117**	**1,419,010**	**–**[(1)]	**1,419,010**
Dividends (Note 21)	**–**	**–**	**(444,650)**	**–**	**(444,650)**	**–**[(1)]	**(444,650)**
Transfer to statutory reserve (Note 20)	**–**	**–**	**(3,008)**	**3,008**	**–**	**–**	**–**
Balance at 31 December 2021	**156,337**	**(815)**	**2,215,640**	**(38,710)**	**2,176,930**	**5**	**2,332,457**

(1) Denotes amounts less than RM500.

Company	Share capital (Note 18) RM'000	Treasury shares (Note 19) RM'000	Retained earnings RM'000	Other reserves (Note 20) RM'000	Total reserves RM'000	Total equity RM'000
Balance at 1 January 2020	156,337	(815)	50,436	43,246	93,682	249,204
Profit for the year	–	–	335,954	–	335,954	335,954
Other comprehensive income for the year	–	–	–	(6,119)	(6,119)	(6,119)
Total comprehensive income for the year	–	–	335,954	(6,119)	329,835	329,835
Dividends (Note 21)	–	–	(72,997)	–	(72,997)	(72,997)
Balance at 31 December 2020	156,337	(815)	313,393	37,127	350,520	506,042
Balance at 1 January 2021	**156,337**	**(815)**	**313,393**	**37,127**	**350,520**	**506,042**
Profit for the year	**–**	**–**	**713,029**	**–**	**713,029**	**713,029**
Other comprehensive income for the year	**–**	**–**	**–**	**6,279**	**6,279**	**6,279**
Total comprehensive income for the year	**–**	**–**	**713,029**	**6,279**	**719,308**	**719,308**
Dividends (Note 21)	**–**	**–**	**(444,650)**	**–**	**(444,650)**	**(444,650)**
Balance at 31 December 2021	**156,337**	**(815)**	**581,772**	**43,406**	**625,178**	**780,700**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 RM'000	2020 RM'000
Cash flows from operating activities		
Profit before taxation	**1,858,589**	841,353
Adjustments for:		
Depreciation of property, plant and equipment	**55,790**	52,559
Property, plant and equipment written off	**136**	84
Gain on disposal of property, plant and equipment	**(125)**	(890)
Fair value loss/(gain) on derivatives – net	**1,596**	(1,270)
Interest expense	**150**	355
Interest income	**(16,189)**	(3,161)
Operating cash flows before working capital changes	**1,899,947**	889,030
Increase in inventories	**(31,023)**	(24,694)
Decrease/(increase) in receivables and prepayments	**85,743**	(164,750)
Increase in employee benefit obligations	**20**	47
(Decrease)/increase in payables, accruals and contract liabilities	**(26,651)**	62,324
Cash flows generated from operations	**1,928,036**	761,957
Interest paid	**(150)**	(355)
Interest received	**16,189**	3,161
Income tax paid	**(374,256)**	(62,051)
Net cash flows generated from operating activities	**1,569,819**	702,712
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	**434**	1,859
Purchase of property, plant and equipment (Note 13)	**(156,346)**	(91,815)
Installments paid for purchase of land	**–**	(9,171)
Net cash flows used in investing activities	**(155,912)**	(99,127)
Cash flows from financing activities		
Proceeds from revolving credit	**–**	2,000
Repayment of revolving credit	**–**	(2,000)
Repayment of borrowings	**(6,000)**	(6,000)
Payment of principal portion of lease liabilities	**(540)**	(526)
Dividends paid	**(444,650)**	(72,997)
Net cash flows used in financing activities	**(451,190)**	(79,523)
Net increase in cash and cash equivalents	**962,717**	524,062
Effect of foreign currency exchange rates	**1,271**	(5,528)
Cash and cash equivalents at beginning of year	**648,943**	130,409
Cash and cash equivalents at end of year (Note 13)	**1,612,931**	648,943

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. Corporate information

Riverstone Holdings Limited (the "Company") is a public limited company incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company's registered office is at 80 Robinson Road, #02-00, Singapore 068898. The Company's principal place of business is located at 362 Upper Paya Lebar Road, #03-14 Da Jin Factory Building, Singapore 534963.

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 9.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000"), except when otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 16 *Leases: Covid-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective (Continued)

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective: (Continued)

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation and business combinations (Continued)

(a) ***Basis of consolidation*** (Continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– Derecognises the carrying amount of any non-controlling interests;

– Derecognises the cumulative translation differences recorded in equity;

– Recognises the fair value of the consideration received;

– Recognises the fair value of any investment retained;

– Recognises any surplus or deficit in profit or loss;

– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) ***Business combinations and goodwill***

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation and business combinations (Continued)

(b) ***Business combinations and goodwill*** (Continued)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Functional and foreign currency

The Company's functional currency is Singapore dollar ("SGD") because the Company uses the currency of its local environment which is Singapore. The financial statements are presented in RM as the Group's principal operations are conducted in Malaysia and the functional currency of the significant companies in the Group is RM.

The financial statements of the Company are translated from SGD to RM based on Note 2.6(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.6 Functional and foreign currency (Continued)

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of comprehensive income except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the statement of comprehensive income of the Group on disposal of the foreign operation.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in statement of comprehensive income.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment (Continued)

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	:	77 to 99 years
Buildings	:	3 to 50 years
Plant and machinery	:	10 years
Office equipment and computers	:	5 to 10 years
Furniture and fittings	:	5 to 10 years
Motor vehicles	:	5 years

Capital work-in-progress are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

2.8 Subsidiary companies

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.11 Financial instruments

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). The Group only has debt instruments classified as amortised cost and FVPL.

(i) ***Amortised cost***

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) ***Fair value through profit or loss***

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.11 Financial instruments (Continued)

(a) ***Financial assets*** (Continued)

Subsequent measurement (Continued)

Derivatives

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associate with foreign currency fluctuations. Such derivative financial instruments are classified as financial assets or liabilities at fair value through profit or loss and are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each statement of financial position date.

Any gains or losses arising from changes in fair value on derivative financial instruments are taken to profit or loss for the year. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.11 Financial instruments (Continued)

(b) ***Financial liabilities*** (Continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits and bank overdrafts which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.16 Employee benefits

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.17 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group measures lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) ***Right-of-use assets***

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

The Group's right-of-use assets are presented within property, plant and equipment (Note 8).

(b) ***Lease liabilities***

Lease liabilities is measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. **Summary of significant accounting policies** (Continued)

2.18 Leases (Continued)

As lessee (Continued)

(b) ***Lease liabilities*** (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in borrowings (Note 17).

(c) ***Short-term leases***

The Group applies the short-term lease recognition exemption to its short-term leases of office and properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2.19 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of gloves and non-glove consumables

The Group manufactures and supplies cleanroom and healthcare gloves and other consumable products comprising finger cots, static shielding bags, face mask, wipers and packaging materials.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.19 Revenue (Continued)

Sale of gloves and non-glove consumables (Continued)

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume rebate. Based on the Group's experience, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group applied the 'expected value method' in estimating the amount of volume rebates payable to customer where consideration have been received and recognises as refund liabilities.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

The Group has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

2.20 Income taxes

(a) ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in the profit or loss except to the extent that the tax relates to items recognised outside the profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.20 Income taxes (Continued)

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither accounting profit nor taxable profit or loss;

– In respect of temporary differences associated with investments in subsidiary companies, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.20 Income taxes (Continued)

(b) ***Deferred tax*** (Continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.21 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.23 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.23 Contingencies (Continued)

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments and estimates made in applying accounting policies

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.

4. Revenue

Revenue represents the invoiced value of goods sold, less returns inward, discounts and rebates allowed. Revenue are recognised at a point in time upon the satisfaction of performance obligations by transferring control of the goods to the customer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. Revenue (Continued)

Contract balances

Information about receivables and contract liabilities from contracts with customers are disclosed as follows:

	Group		
	31 December		1 January
	2021	2020	2020
	RM'000	RM'000	RM'000
Receivables from contracts with customers (Note 11)	**232,009**	319,735	154,511
Contract liabilities	**6,187**	15,415	–

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 was higher in the previous financial year due to a surge in demand for the Group's products during the COVID-19 pandemic.

Contract liabilities are recognised as revenue when the Group has fulfilled its performance obligations under the contract. During the financial year ended 31 December 2021, revenue recognised from amounts included in the contract liabilities balance at the beginning of the period amounted to RM15,415,000 (2020: nil).

5. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	Group	
	2021	2020
	RM'000	RM'000
Foreign exchange (gain)/loss – net	**(17,681)**	2,187
Interest income from bank balances	**(16,189)**	(3,161)
Interest expenses on borrowings	**150**	355
Staff costs*	**160,348**	152,209
Depreciation of property, plant and equipment	**55,790**	52,559
Fair value loss/(gain) on derivatives	**1,596**	(1,270)
Directors' fee	**715**	600
Auditors' remuneration		
– audit fee paid to the auditor of the Company	**148**	146
– audit fee paid to member firms of the auditor of the Company	**324**	304
– audit fee paid to other auditors	**45**	44
– non audit fee paid to member firms of the auditor of the Company	**–**	22
Property, plant and equipment written off	**136**	84
Gain on disposal of property, plant and equipment	**(125)**	(890)

* Included in staff costs (excluding directors' remunerations) are contributions to defined contribution schemes of RM9,222,000 (2020: RM8,092,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. Income tax expense

The major components of income tax expense for the year ended 31 December are:

	Group	
	2021	2020
	RM'000	RM'000
Current income tax		
Current income taxation	**427,856**	147,425
Under/(over) provision in respect of prior years	**1,457**	(210)
Withholding tax on foreign sourced income	**2,760**	2,145
	432,073	149,360
Deferred income tax		
Movements in temporary differences	**8,568**	43,888
Movements in undistributed foreign sourced dividend income	**2,345**	369
(Over)/under provision in respect of prior years	**(2,290)**	482
	8,623	44,739
	440,696	194,099

Relationship between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the statutory tax rates is as follows:

	Group	
	2021	2020
	RM'000	RM'000
Profit before taxation	**1,858,589**	841,353
Tax at domestic statutory tax rates applicable to profits in the countries where the Group operates	**442,957**	200,359
Effects of expenses not deductible for tax purposes	**1,293**	461
Effects of non-taxable income	**(3,051)**	(2,602)
Reinvestment allowances from qualifying capital expenditure	**(4,357)**	(6,421)
Effects of double deduction of expenses	**(418)**	(484)
Withholding tax on foreign sourced income	**2,760**	2,145
Withholding tax on undistributed foreign sourced income	**2,345**	369
(Over)/under provision in respect of prior years	**(833)**	272
Income tax expense recognised in statement of comprehensive income	**440,696**	194,099

During the financial year ended 31 December 2021, Riverstone Resources Sdn Bhd ("RRSB") had utilised reinvestment allowance of approximately RM1,923,000 (2020: RM1,816,000). These allowances are subject to the agreement of the authorities and compliance with certain provisions of the tax legislation in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. Income tax expense (Continued)

During the financial year ended 31 December 2021, Eco Medi Glove Sdn Bhd ("EMG") had utilised reinvestment allowances of approximately RM16,230,000 (2020: RM194,256,000). These allowances are subject to the agreement of the authorities and compliance with certain provisions of the tax legislation in Malaysia.

As at 31 December 2021 and 31 December 2020, the Group had utilised all reinvestment allowances.

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 and thereafter is entitled to a 50% relief from income tax payable for the next 5 years. During the financial year ended 31 December 2021, PT had generated tax-exempt income of approximately RM17,021,000 (2020: RM12,778,000). During the financial year ended 31 December 2021, the Group incurred withholding tax amounting to RM2,760,000 (2020: RM2,145,000) as a result of remittance of dividends declared out of PT's non-exempted profits, at withholding tax rate of 10%.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. The corporate income tax rates applicable to the Group companies in the following countries are:

	2021	2020
Singapore	**17%**	17%
Malaysia	**24%**	24%
Thailand	**20%**	20%
China	**25%**	25%

7. Earnings per share

Earnings per share for the financial year ended 31 December 2021 is calculated based on profit for the year of RM1,417,893,000 (2020: RM647,254,000), attributable to equity holders of the Company, divided by the weighted average number of 1,482,168,100 (2020: 1,482,168,100) ordinary shares outstanding during the financial year.

The basic and fully diluted earnings per share for the financial years ended 31 December 2021 and 2020 were the same.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. Property, plant and equipment

Group	Land and buildings RM'000	Plant and machinery RM'000	Office equipment and computers RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost							
Balance at 1 January 2020	280,610	484,164	6,209	7,780	9,579	10,313	798,655
Additions	7,615	9,403	927	1,052	1,315	79,164	99,476
Disposals	(314)	(5,025)	(84)	(102)	(89)	–	(5,614)
Capitalisation of land upon transfer of legal title (Note 8(d))	30,644	–	–	–	–	–	30,644
Transfer upon completion of capital work-in-progress	9,011	38,996	195	439	–	(48,641)	–
Write-off	(6)	(453)	(86)	(219)	(8)	–	(772)
Translation adjustments	(224)	(390)	25	2	(5)	49	(543)
Balance at 31 December 2020 and 1 January 2021	**327,336**	**526,695**	**7,186**	**8,952**	**10,792**	**40,885**	**921,846**
Additions	**1,334**	**9,150**	**1,543**	**906**	**3,247**	**144,062**	**160,242**
Disposals	**–**	**(2,615)**	**–**	**(23)**	**(1,027)**	**–**	**(3,665)**
Transfer upon completion of capital work-in-progress	**6,923**	**29,937**	**–**	**–**	**–**	**(36,860)**	**–**
Write-off	**(3)**	**(805)**	**(94)**	**(17)**	**(43)**	**–**	**(962)**
Translation adjustments	**(579)**	**(1,772)**	**41**	**–**	**(22)**	**1**	**(2,331)**
Balance at 31 December 2021	**335,011**	**560,590**	**8,676**	**9,818**	**12,947**	**148,088**	**1,075,130**
Accumulated depreciation							
Balance at 1 January 2020	48,702	223,003	3,761	4,399	7,968	–	287,833
Charge for the year	7,845	42,623	636	808	647	–	52,559
Disposals	(160)	(4,237)	(72)	(89)	(87)	–	(4,645)
Write-off	(2)	(400)	(62)	(217)	(7)	–	(688)
Translation adjustments	(159)	(350)	20	–	(5)	–	(494)
Balance at 31 December 2020 and 1 January 2021	**56,226**	**260,639**	**4,283**	**4,901**	**8,516**	**–**	**334,565**
Charge for the year	**8,286**	**44,710**	**787**	**931**	**1,076**	**–**	**55,790**
Disposals	**–**	**(2,307)**	**–**	**(23)**	**(1,026)**	**–**	**(3,356)**
Write-off	**–**	**(691)**	**(76)**	**(16)**	**(43)**	**–**	**(826)**
Translation adjustments	**(536)**	**(1,688)**	**30**	**(21)**	**(22)**	**–**	**(2,237)**
Balance at 31 December 2021	**63,976**	**300,663**	**5,024**	**5,772**	**8,501**	**–**	**383,936**
Net carrying amount							
At 31 December 2021	**271,035**	**259,927**	**3,652**	**4,046**	**4,446**	**148,088**	**691,194**
At 31 December 2020	271,110	266,056	2,903	4,051	2,276	40,885	587,281

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. Property, plant and equipment (Continued)

(a) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 22(a).

(b) Included in land and buildings are seven (2020: six) lots of freehold land with a total carrying amount of RM17,240,000 (2020: RM12,117,000).

(c) Land and buildings with a carrying amount of RM3,476,000 (2020: RM4,267,000) are pledged to the bank for banking facilities granted to the Group.

(d) During the previous financial year, the Group purchased land by installments. The cash outflow for the previous financial year amounted to RM9,171,000. As at 31 December 2020, all the legal title of the land has been passed on to the Group, including land recognised as other assets at the beginning of the previous financial year amounting to RM21,473,000.

9. Investments in subsidiary companies

	Company	
	2021 RM'000	2020 RM'000
Unquoted equity shares, at cost	**202,794**	199,236

Details of subsidiary companies are as follows:

Name of company (Country of incorporation)	Principal activities	Cost of Investment 2021 RM'000	Cost of Investment 2020 RM'000	Percentage of equity held by the Group 2021 %	Percentage of equity held by the Group 2020 %
(1)Riverstone Resources Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots	**116,081**	114,045	**100**	100
(1)Riverstone Industrial Products Sdn Bhd (Malaysia)	Manufacturer of plastic bags and trader in latex products	**1,890**	1,857	**100**	100
(1)Eco Medi Glove Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots	**61,502**	60,423	**100**	100
(1)(6)Eco Star Glove Sdn Bhd (Malaysia)	Manufacturer and distributor of examination gloves, cleanroom gloves and finger cots	**–#**	–	**100**	–
(2)Protective Technology Co. Ltd (Thailand)	Manufacturer and distributor of cleanroom gloves	**22,488**	22,093	**99.99**	99.99
(3)Riverstone Resources (S) Pte Ltd (Singapore)	Distributor of cleanroom products	**833**	818	**100**	100
		202,794	199,236		

\# Denotes amounts less than RM500.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. Investments in subsidiary companies (Continued)

Subsidiary company held by Riverstone Resources Sdn Bhd:

Name of company (Country of incorporation)	Principal activities	Percentage of equity held by the Group	
		2021	2020
		%	%
[4] Riverstone Resources (Wuxi) Co. Ltd (People's Republic of China)	Processing and packing of cleanroom gloves	**100**	100

Subsidiary company held by Eco Medi Glove Sdn Bhd:

Name of company (Country of incorporation)	Principal activities	Percentage of equity held by the Group	
		2021	2020
		%	%
[5] Eco Medi Glove Products (Shenzhen) Co. Ltd (People's Republic of China)	Distributor of cleanroom and medical glove products	**100**	100

(1) Audited by Ernst & Young, Malaysia
(2) Audited by Thai-Audit The Truth Limited
(3) Audited by Ernst & Young LLP, Singapore
(4) Audited by Wuxi DaZhong Certified Public Accountants Co., Ltd
(5) Audited by Shenzhen HuaZhongJie Certified Public Accountants
(6) Newly incorporated during the financial year ended 31 December 2021

10. Inventories

	Group	
	2021	2020
	RM'000	RM'000
Statement of financial position:		
Raw materials	**55,474**	66,634
Work-in-progress	**35,881**	29,824
Finished goods	**61,657**	25,531
Total inventories at lower of cost and net realisable value	**153,012**	121,989
Statement of profit or loss:		
Inventories recognised as an expense in cost of sales	**796,661**	552,460

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. Trade receivables

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 90 days' (2020: 30 to 90 days') terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Trade receivables are denominated in the following currencies:

	Group	
	2021	2020
	RM'000	RM'000
United States dollar	**190,679**	282,130
Thai Baht	**15,341**	11,248
Renminbi	**14,123**	18,485
Ringgit Malaysia	**10,588**	6,778
Singapore dollar	**1,254**	1,078
Hong Kong dollar	**24**	16
	232,009	319,735

Expected credit losses

As at 31 December 2021, no expected credit loss (2020: nil) is recorded as the Group has determined that the expected credit loss arising from trade receivables is not material.

12. Other receivables

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Sundry receivables	**1,500**	489	**90**	67
Deposits	**952**	599	**–**	–
VAT recoverable	**65**	67	**–**	–
Advances to suppliers	**238**	58	**–**	–
Dividend receivables	**–**	–	**153,664**	19,997
	2,755	1,213	**153,754**	20,064

Other receivables are denominated in the following currencies:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Ringgit Malaysia	**2,026**	586	**153,664**	19,997
Thai Baht	**70**	177	**–**	–
Renminbi	**509**	349	**–**	–
Singapore dollar	**119**	92	**90**	67
United States dollar	**31**	9	**–**	–
	2,755	1,213	**153,754**	20,064

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Fixed deposits	**982,933**	296,707	**417,096**	281,522
Cash at banks and in hand	**629,998**	352,236	**7,334**	5,526
	1,612,931	648,943	**424,430**	287,048

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.05% to 1.75% per annum (2020: 0.05% to 2.75% per annum). Fixed deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective fixed deposit rates.

The weighted average effective interest rate of fixed deposits is 1.25% per annum (2020: 0.18% per annum).

Cash and cash equivalents amounting to RM43,711,000 (2020: RM16,841,000) are held with banks in the People's Republic of China ("PRC"). The remittance of these funds out of PRC is subject to the exchange restriction imposed by the PRC government.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Ringgit Malaysia	**1,081,761**	283,747	**–**	–
Singapore dollar	**433,498**	292,620	**424,382**	287,001
Renminbi	**43,337**	16,743	**–**	–
Thai Baht	**30,878**	20,919	**–**	–
United States dollar	**22,350**	33,880	**48**	47
Hong Kong dollar	**1,089**	1,017	**–**	–
Philippine peso	**18**	17	**–**	–
	1,612,931	648,943	**424,430**	287,048

Note to the consolidated statement of cash flows

	Group	
	2021	2020
	RM'000	RM'000
Purchase of property, plant and equipment:		
Aggregate cost of property, plant and equipment acquired (Note 8)	**160,242**	99,476
Adjustment:		
Additions of right-of-use assets (non-cash)	**–**	(1,576)
Increase in payables for purchase of plant and equipment	**(3,896)**	(6,085)
Cash payments to acquire property, plant and equipment	**56,346**	91,815

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. Payables and accruals

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Payables for raw materials	**60,856**	73,645	**–**	–
Accruals for operating expenses	**57,233**	61,867	**305**	332
Payables for purchase of plant and equipment	**34,760**	30,864	**–**	–
	152,849	166,376	**305**	332

Payables are unsecured, interest-free and are normally settled on 30 to 60 days' (2020: 30 to 60 days') terms.

Payables and accruals are denominated in the following currencies:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Ringgit Malaysia	**112,169**	113,456	**26**	72
United States dollar	**31,178**	39,109	**–**	–
Thai Baht	**5,487**	6,634	**–**	–
Renminbi	**3,589**	6,789	**–**	–
Singapore dollar	**424**	384	**279**	260
Hong Kong dollar	**2**	4	**–**	–
	152,849	166,376	**305**	332

15. Derivatives

	Group			
	2021		2020	
	Notional amount RM'000	**Assets RM'000**	Notional amount RM'000	Assets RM'000
Forward currency contracts	**177,555**	**1,335**	185,233	2,931

The forward currency contracts are used to hedge the Group's sales and purchases denominated in United States dollar for which firm commitments existed at the statement of financial position date, extending to May 2022 (2020: April 2021).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. Deferred tax

	Group	
	2021	2020
	RM'000	RM'000
Deferred tax assets:		
Balance at 1 January	**570**	9,228
Recognised in statement of comprehensive income	**260**	(8,657)
Translation adjustments	**(7)**	(1)
Balance at 31 December	**823**	570
Deferred tax liabilities:		
Balance at 1 January	**(45,727)**	(9,645)
Recognised in statement of comprehensive income	**(8,883)**	(36,082)
Balance at 31 December	**(54,610)**	(45,727)

Deferred tax assets/(liabilities) as at 31 December related to the following:

	Group	
	2021	2020
	RM'000	RM'000
Deferred tax assets		
Others	**823**	570
Deferred tax liabilities		
Differences in depreciation for tax purposes	**(51,718)**	(45,205)
Withholding tax on undistributed foreign sourced dividend income	**(4,142)**	(1,797)
Others	**1,250**	1,275
	(54,610)	(45,727)

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the financial year, no deferred tax liability (2020: nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to RM41,260,000 (2020: RM17,630,000). The deferred tax liability is estimated to be RM4,126,000 (2020: RM1,763,000).

Tax consequences of proposed dividends

There are no income tax consequences (2020: nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. Borrowings

	Group	
	2021	2020
	RM'000	RM'000
Non-current		
Secured term loan	**–**	1,000
Lease liabilities	**–**	542
	–	1,542
Current		
Secured term loan	**1,000**	6,000
Lease liabilities	**578**	516
	1,578	6,516
Total borrowings	**1,578**	8,058

Term loan

On 6 February 2017, EMG drew down RM30,000,000 under a secured term loan. Term loan bears interest ranging from 2.69% to 2.72% (2020: 2.69% to 4.06%) per annum and is secured by a charge over a piece of leasehold land and buildings (Note 8) and a corporate guarantee from the Company. The term loan is repayable over 60 monthly payments commencing March 2017.

A reconciliation of liabilities arising from financing activities is as follows:

	Group					
			Non-cash changes			
	2020 RM'000	**Cash flows RM'000**	**Accretion of interest RM'000**	**Translation adjustments RM'000**	**Others RM'000**	**2021 RM'000**
Term loan						
– Current	6,000	(6,000)	–	–	1,000	**1,000**
– Non-current	1,000	–	–	–	(1,000)	**–**
Lease liabilities						
– Current	516	(588)	48	30	572	**578**
– Non-current	542	–	–	30	(572)	**–**
Total	8,058	(6,588)	48	60	–	**1,578**

17. Borrowings (Continued)

Term loan (Continued)

			Group				
			Non-cash changes				
	2019 RM'000	Cash flows RM'000	Acquisition RM'000	Accretion of interest RM'000	Translation adjustments RM'000	Others RM'000	2020 RM'000
Term loan							
– Current	6,000	(6,000)	–	–	–	6,000	6,000
– Non-current	7,000	–	–	–	–	(6,000)	1,000
Revolving credit	–	–[(1)]	–	–	–	–	–
Lease liabilities							
– Current	–	(557)	522	31	4	516	516
– Non-current	–	–	1,054	–	4	(516)	542
Total	13,000	(6,557)	1,576	31	8	–	8,058

The 'others' column relates to the reclassification of non-current portion of borrowings due to the passage of time.

(1) During the previous financial year, the Group drew down RM2,000,000 under a revolving credit facility. The amount has been fully repaid during the previous financial year.

18. Share capital

	Group and Company			
	2021 No. of shares	2020 No. of shares	**2021 RM'000**	2020 RM'000
At 1 January	**1,484,904,100**	742,452,050	**156,337**	156,337
Shares issued during the year	**–**	742,452,050	**–**	–
At 31 December	**1,484,904,100**	1,484,904,100	**156,377**	156,377

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

During the financial year ended 31 December 2020, the Company allotted and issued 742,452,050 ordinary shares at no consideration pursuant to a bonus issue exercise on the basis of one bonus share credited as fully paid for every one existing ordinary share in the Company held by the shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. Treasury shares

	Group and Company			
	2021	2020	**2021**	2020
	No. of shares	No. of shares	**RM'000**	RM'000
At 1 January	**2,736,000**	1,368,000	**(815)**	(815)
Shares issued during the year	**–**	1,368,000	**–**	–
At 31 December	**2,736,000**	2,736,000	**(815)**	(815)

Treasury shares relate to ordinary shares of the Company held by the Company.

During the financial year ended 31 December 2020, the Company allotted and issued 742,452,050 ordinary shares at no consideration pursuant to a bonus issue exercise on the basis of one bonus share credited as fully paid for every one existing ordinary share in the Company held by the shareholders.

20. Other reserves

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
(a) ***Foreign currency translation reserve***				
Balance at 1 January	**12,251**	17,836	**37,127**	43,246
Movement for the year	**1,117**	(5,585)	**6,279**	(6,119)
Balance at 31 December	**13,368**	12,251	**43,406**	37,127
(b) ***Statutory reserve***				
Balance at 1 January	**3,482**	2,441	**–**	–
Movement for the year	**3,008**	1,041	**–**	–
Balance at 31 December	**6,490**	3,482	**–**	–
(c) ***Merger reserve***				
Balance at 1 January and 31 December	**(58,568)**	(58,568)	**–**	–
Total other reserves	**(38,710)**	(42,835)	**43,406**	37,127

Foreign currency transaction reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

20. Other reserves (Continued)

Statutory reserve

The statutory reserve relates to the appropriation to reserves from the net profits of subsidiary companies established in Thailand and the People's Republic of China ("PRC").

In accordance with the Thailand local laws, before dividends for a particular year are declared, companies are required to appropriate 5% of their profit before taxation reported in the statutory accounts for that year to a statutory reserve. The maximum balance of the reserve is capped at 10% of the registered capital. This reserve can only be distributed to the shareholders upon liquidation of the company or utilised in the event of a reduction in share capital. The subsidiary company's statutory accounts has reached the limit of 10% on the registered capital of THB90,000,000 since February 2010.

In accordance with the relevant laws and regulations of the PRC, subsidiary companies of the Group are required to transfer at least 10% of its profit after taxation prepared in accordance with the accounting standards and regulations of the PRC to the Statutory Reserve Fund ("SRF") until the accumulative total SRF balance reaches 50% of the respective registered capital. Subject to approval from the relevant PRC authorities, such SRF may be used to offset any accumulated losses or increased the registered capital of the subsidiary companies and is not available for distribution to shareholders other than in liquidation. As at end of the financial year 2021, the subsidiary companies SRF balance has reached 50% of the registered capital.

Merger reserve

The merger reserve represents the difference between the nominal value of shares issued by the Company over the nominal value of the shares acquired in exchange for those shares, accounted for using the pooling-of-interest method.

The above reserves are not available for dividend distribution to shareholders.

21. Dividends

(a) ***Declared and paid during the financial year***

	Group and Company	
	2021	2020
	RM'000	RM'000
Final exempt (one-tier) dividend for 2020: 16.00 sen (2019: 5.85 sen) per ordinary share	**237,147**	43,353
Special exempt (one-tier) dividend for 2020: 4.00 sen (2019: nil) per ordinary share	**59,287**	–
Interim exempt (one-tier) dividend for 2021: 10.00 sen (2020: 4.00 sen) per ordinary share	**148,216**	29,644
	444,650	72,997

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. Dividends (Continued)

(b) ***Proposed but not recognised as a liability as at 31 December***

	Group and Company	
	2021	2020
	RM'000	RM'000
Special interim exempt (one-tier) dividend for 2021 of 10 sen (2020: nil) per ordinary share	**148,216**	–
Special exempt (one-tier) dividend for 2021 of nil (2020: 4.00 sen) per ordinary share	**–**	59,287
Final exempt (one-tier) dividend for 2021 of 28.00 sen (2020: 16.00 sen) per ordinary share	**415,007**	237,147
	563,223	296,434

22. Leases

Group as a lessee

The Group has lease contracts for leasehold properties used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

(a) ***Carrying amounts of right-of-use assets***

Group	**Leasehold properties** RM'000
Balance at 1 January 2020	19,760
Additions	32,726
Charge for the year	(818)
Translation adjustments	9
Balance at 31 December 2020	51,677
Charge for the year	(1,096)
Translation adjustments	58
Balance at 31 December 2021	**50,639**

(b) ***Lease liabilities***

The carrying amounts of lease liabilities (included under borrowings) and the movements during the year are disclosed in Note 17 and the maturity analysis of lease liabilities are disclosed in Note 26(b). Lease liabilities are denominated in Renminbi.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22. Leases (Continued)

Group as a lessee (Continued)

(c) ***Amounts recognised in profit or loss***

	Group	
	2021	2020
	RM'000	RM'000
Depreciation expense of right-of-use assets	**1,096**	818
Interest expense on lease liabilities	**48**	31
Expense relating to short-term leases (included in administrative expense)	**73**	61
Total amount recognised in profit or loss	**1,217**	910

(d) ***Total cash outflow***

The Group had total cash outflows for leases of RM661,000 (2020: RM618,000).

23. 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 year.

	Group	
	2021	2020
	RM'000	RM'000
Other related parties:		
Purchases of repair and maintenance services	**18**	65
Purchases of plant and equipment	**896**	838

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

(b) ***Compensation of key management personnel***

	Group	
	2021	2020
	RM'000	RM'000
Directors' fee	**715**	600
Short term benefits	**3,122**	3,193
Central Provident Fund contributions	**299**	316
Performance incentive scheme	**15,909**	13,042
	20,045	17,151

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23. Related party transactions (Continued)

(b) *Compensation of key management personnel* (Continued)

	Group	
	2021	2020
	RM'000	RM'000
Comprise amounts paid to:		
– Directors of the Company	**12,887**	12,466
– Other key management personnel	**7,158**	4,685
	20,045	17,151

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 terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

24. Commitments and contingencies

(a) *Capital commitments*

Capital expenditure contracted for as at the statement of financial position date but not recognised in the financial statements are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Acquisition of property, plant and equipment	**97,281**	74,364

Subsequent to year end, the Group, through its wholly owned subsidiary, Eco Medi Glove Sdn Bhd, had entered into a Sale and Purchase Agreement to acquire 6 parcels of leasehold industrial lands from external parties for a total consideration of RM17,566,000.

(b) *Contingencies*

The Company has provided corporate guarantees to banks amounting to RM1,578,000 (2020: RM 6,516,000) for the forward currency contracts (Note 15) and banking facilities taken by subsidiaries. The corporate guarantees provided by the Company do not result in contingent liabilities.

25. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. Segment information (Continued)

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***

2021	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue:						
External	2,867,588	84,749	94,263	35,847	–	3,082,447
Inter segment	324,569	53,492	10,289	716,546[1]	(1,104,896)	–
Total revenue	3,192,157	138,241	104,552	752,393	(1,104,896)	3,082,447
Results:						
Segment result	1,754,043	65,381	35,779	721,519	(717,983)	1,858,739
Finance costs	(102)	–	(48)	–	–	(150)
Profit before taxation	1,753,941	65,381	35,731	721,519	(717,983)	1,858,589
Income tax expense	(416,402)	(9,573)	(8,946)	(3,679)	(2,096)	(440,696)
Profit for the year	1,337,539	55,808	26,785	717,840	(720,079)	1,417,893
Assets and liabilities:						
Segment assets	2,230,588	75,032	72,117	437,890	(116,019)	2,699,608
Segment liabilities	438,696	13,394	9,226	4,980	(99,145)	367,151
Other segment information:						
Additions to non-current assets	159,615	495	127	5	–	160,242
Other non-cash expense						
Depreciation of property, plant and equipment	53,101	1,486	1,199	4		55,790
Property, plant and equipment written off	136	–[2]	–[2]	–		136
Fair value loss on derivatives	1,596	–	–	–		1,596

(1) Includes dividend income from subsidiaries.

(2) Denotes amounts less than RM500.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. Segment information (Continued)

(a) ***Geographical information*** (Continued)

2020	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue:						
External	1,691,259	42,752	70,156	25,715	–	1,829,882
Inter segment	324,199	48,948	9,459	339,665(1)	(722,271)	–
Total revenue	2,015,458	91,700	79,615	365,380	(722,271)	1,829,882
Results:						
Segment result	794,909	34,414	16,246	339,992	(343,853)	841,708
Finance costs	(3,802)	–	(32)	–	3,479	(355)
Profit before taxation	791,107	34,414	16,214	339,992	(340,374)	841,353
Income tax expense	(183,721)	(4,269)	(3,520)	(2,436)	(153)	(194,099)
Profit for the year	607,386	30,145	12,694	337,556	(340,527)	647,254
Assets and liabilities:						
Segment assets	1,361,900	53,427	50,752	300,184	(78,493)	1,687,770
Segment liabilities	355,803	11,575	17,622	9,594	(64,921)	329,673
Other segment information:						
Additions to non-current assets	102,800	370	5,476	1		108,647
Other non-cash expense						
Depreciation of property, plant and equipment	49,815	1,838	903	3		52,559
Property, plant and equipment written off	84	–	–	–		84
Fair value gain on derivatives	(1,270)	–	–	–		(1,270)

(1) Includes dividend income from subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. Segment information (Continued)

(b) ***Business information***

The following table presents the revenue information regarding the business segments for the years ended 31 December 2021 and 2020. 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 RM'000	Others RM'000	Total RM'000
Revenue:			
Sales to external customers			
– 2021	**3,057,942**	**24,505**	**3,082,447**
– 2020	1,792,402	37,480	1,829,882

(c) ***Geographical location of customers***

The following table presents the revenue information by the geographical location of its customers.

	Europe RM'000	USA RM'000	Singapore RM'000	Malaysia RM'000	China RM'000	Thailand RM'000	Other parts of South East Asia RM'000	Other parts of Asia RM'000	Rest of the world RM'000	Total RM'000
Revenue:										
Sales to external customers										
– 2021	**770,036**	**715,802**	**558,028**	**174,810**	**143,649**	**95,708**	**123,383**	**445,336**	**55,695**	**3,082,447**
– 2020	529,595	325,072	268,790	156,192	112,314	49,895	68,365	258,285	61,374	1,829,882

(d) ***Information about major customers***

One (2020: nil) customer accounted for more than 16% (2020: 16%) of the Group's revenue.

26. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, liquidity risk, credit risk and commodity price risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight on the effectiveness of the risk management process. It is, and has been throughout the current and previous financial years, the Group's policy that no trading in derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. Financial risk management objectives and policies (Continued)

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) ***Foreign currency risk***

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The companies in the Group primarily transact in their respective functional currencies. The exposure of the Group to foreign currency risk arises from certain transactions denominated in foreign currencies, primarily in United States dollar ("USD"). The Group entered into forward foreign exchange contracts to manage its foreign currency risk as disclosed in Note 15. The Group's trade and other receivables, payables and accruals balances at the end of the reporting period have similar exposures.

The Group also holds cash and cash equivalents denominated in USD, which also gives rise to foreign currency exposure. The Group is also exposed to currency translation risk arising from its net investments in companies whose functional currencies are not Ringgit Malaysia.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a 1% change in the USD rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2021	2020
	RM'000	RM'000
	Profit before taxation	*Profit before taxation*
USD/RM – strengthened 1% (2020: 1%)	**1,790**	2,769
– weakened 1% (2020: 1%)	**(1,790)**	(2,769)

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. There is no significant exposure to liquidity risk. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. The Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. The Group's liquidity risk management policy is to match maturities of financial assets and liabilities and to maintain available banking facilities of a reasonable level to its overall debt position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. Financial risk management objectives and policies (Continued)

(b) ***Liquidity risk*** (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities as at the statement of financial position date based on contractual undiscounted payments.

Group	2021 1 year or less RM'000	 1 to 5 years RM'000	 Total RM'000
Financial assets:			
Trade receivables	**232,009**	**–**	**232,009**
Other receivables	**2,452**	**–**	**2,452**
Derivatives:	**1,335**	**–**	**1,335**
– forward currency contracts – gross receipts	**178,890**	**–**	**178,890**
– forward currency contracts – gross payments	**(177,555)**	**–**	**(177,555)**
Cash and cash equivalents	**1,612,931**	**–**	**1,612,931**
Total undiscounted financial assets	**1,848,727**	**–**	**1,848,727**
Financial liabilities:			
Payables and accruals	**152,849**	**–**	**152,849**
Borrowings (excluding lease liabilities)	**1,003**	**–**	**1,003**
Lease liabilities	**600**	**–**	**600**
Employee benefit obligations	**–**	**531**	**531**
Total undiscounted financial liabilities	**154,452**	**531**	**154,983**
Total net undiscounted financial assets/(liabilities)	**1,694,275**	**(531)**	**1,693,744**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. Financial risk management objectives and policies (Continued)

(b) *Liquidity risk* (Continued)

Group	2020 1 year or less RM'000	 1 to 5 years RM'000	 Total RM'000
Financial assets:			
Trade receivables	319,735	–	319,735
Other receivables	1,088	–	1,088
Derivatives:	2,931	–	2,931
– forward currency contracts – gross receipts	188,164	–	188,164
– forward currency contracts – gross payments	(185,233)	–	(185,233)
Cash and cash equivalents	648,943	–	648,943
Total undiscounted financial assets	972,697	–	972,697
Financial liabilities:			
Payables and accruals	166,376	–	166,376
Borrowings (excluding lease liabilities)	6,102	1,002	7,104
Lease liabilities	562	562	1,124
Employee benefit obligations	–	511	511
Total undiscounted financial liabilities	173,040	2,075	175,115
Total net undiscounted financial assets/(liabilities)	799,657	(2,075)	797,582

26. Financial risk management objectives and policies (Continued)

(b) ***Liquidity risk*** (Continued)

Company	2021 1 year or less RM'000	 1 to 5 years RM'000	 Total RM'000
Financial assets:			
Other receivables	**153,754**	**–**	**153,754**
Cash and cash equivalents	**424,430**	**–**	**424,430**
Total undiscounted financial assets	**578,184**	**–**	**578,184**
Financial liabilities:			
Payables and accruals	**305**	**–**	**305**
Total undiscounted financial liabilities	**305**	**–**	**305**
Total net undiscounted financial assets	**577,879**	**–**	**577,879**

Company	2020 1 year or less RM'000	 1 to 5 years RM'000	 Total RM'000
Financial assets:			
Other receivables	20,064	–	20,064
Cash and cash equivalents	287,048	–	287,048
Total undiscounted financial assets	307,112	–	307,112
Financial liabilities:			
Payables and accruals	332	–	332
Total undiscounted financial liabilities	332	–	332
Total net undiscounted financial assets	306,780	–	306,780

(c) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The carrying amounts of trade and other receivables, fixed deposits and cash and bank balances represent the Group's maximum exposure to credit risk. Cash and deposits are placed with reputable financial institutions to minimise credit risk.

The Group trades with recognised and credit worthy third parties. It is the Group's policy that local customers who wish to trade on credit terms are subject to credit verification procedures, and generally there is no requirement for collateral. New overseas customers will be required to either trade in advance telegraphic transfers or provide letter of credits issued by reputable banks in the countries where the customers are based in. Once they become regular customers and proven to be creditworthy, these customers will be assigned a credit term approved by management and the letter of credit will no longer be required.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. Financial risk management objectives and policies (Continued)

(c) ***Credit risk*** (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, or there is significant difficulty of the counterparty. The Group manages its credit risk through regular review on collectability of receivables.

To minimise credit risk, the Group has developed and maintained the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

– Internal credit rating

– External credit rating

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

– Actual or expected significant changes in the operating results of the debtor

– Significant increases in credit risk on other financial instruments of the same debtor

– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the debtor

– A breach of contract, such as a default or past due event

– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

– There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. Financial risk management objectives and policies (Continued)

(c) ***Credit risk*** (Continued)

Trade receivables

The Group has applied the simplified approach to measure the loss allowance at lifetime expected credit losses for all trade receivables. The Group determines the expected credit losses by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

As at 31 December 2021, no expected credit loss (2020: nil) is recorded as the Group has determined that the expected credit loss arising from trade receivables is not material.

During the financial year, there is no write-off (2020: nil) of trade receivables for the Group.

Credit risk concentration profile

Concentration of credit risk exists when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group is principally involved in manufacturing activities associated with the semi-conductor, electronics and healthcare industries. Consequently, the risk of non-payment from its trade receivables is affected by any unfavourable economic changes to these industries. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2021		2020	
	RM'000	**% of total**	RM'000	% of total
By Country:				
United States	**72,115**	**31%**	67,631	21%
Singapore	**38,805**	**17%**	26,014	8%
Thailand	**21,661**	**9%**	14,688	5%
Malaysia	**20,415**	**9%**	20,649	7%
China	**16,534**	**7%**	19,303	6%
Japan	**12,989**	**6%**	40,220	13%
Vietnam	**8,612**	**4%**	12,907	4%
Sweden	**7,473**	**3%**	29,930	9%
Philippines	**6,766**	**3%**	3,951	1%
Denmark	**5,940**	**3%**	37,725	12%
Italy	**4,740**	**2%**	9,492	3%
Netherlands	**3,424**	**1%**	4,249	1%
Ireland	**2,446**	**1%**	48	0%
Indonesia	**2,180**	**1%**	1,469	0%
Australia	**1,940**	**1%**	3,094	1%
Poland	**1,322**	**1%**	403	0%
Other countries	**4,647**	**1%**	27,962	9%
	232,009	**100%**	319,735	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. Financial risk management objectives and policies (Continued)

(c) ***Credit risk*** (Continued)

Other receivables

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month expected credit losses and determined that the expected credit losses is insignificant.

(d) ***Commodity price risk***

Commodity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in commodity prices. The Group's raw materials are mainly latex and nitrile. Latex is a traded commodity and its price is subject to the fluctuations of the commodity market. Nitrile is a petroleum-based product and is affected by the increase in the prices of crude oil. Any significant increase in the prices of latex and nitrile will have a material adverse impact on the financial position and results of the operations. The Group monitors price fluctuations closely and evaluates alternative sources of supply and pricing policies.

Sensitivity analysis for commodity price risk

As at 31 December 2021, if the raw materials price had been 2% (2020: 2%) higher/lower, with all other variables held constant, the Group's profit before taxation would have been lower/higher by RM15,933,000 (2020: RM11,049,000).

27. 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 that 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. Fair value of financial instruments (Continued)

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

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

	Group Significant observable inputs other than quoted prices (Level 2)	
	2021 **RM'000**	2020 RM'000
Financial asset:		
Derivatives (Note 15)		
– Forward currency contracts	**1,335**	2,931

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 (Note 11 and 12), cash and cash equivalents (Note 13), payables and accruals (Note 14) and borrowings (Note 17) 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.

28. Capital management

The main objective of the Group's capital management is to ensure that it maintains a healthy capital to support its operations and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 2020.

A Thailand subsidiary company of the Group is required by the local laws to contribute to and maintain a non-distributable statutory reserve fund. The reserve can only be distributed to the shareholders upon liquidation of the company or utilised in the event of a reduction in share capital. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary company for the financial years ended 31 December 2021 and 2020 (Note 20).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28. Capital management (Continued)

A wholly owned People's Republic of China ("PRC") entity by a subsidiary of the Group is required by the relevant laws and regulations of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial years ended 31 December 2021 and 2020 (Note 20).

The Group monitors capital using the net tangible asset value of the Group, which is total tangible assets less total liabilities of the Group. The net tangible assets values of the Group as at 31 December 2021 and 2020 were RM2,332,457,000 and RM1,358,097,000 respectively.

29. Categories of financial assets and liabilities

The table below is an analysis of the carrying amounts of financial instruments by categories.

(a) ***Financial assets measured at amortised cost***

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables (Note 11)	**232,009**	319,735	**–**	–
Other receivables (Note 12)	**2,452**	1,088	**153,754**	20,064
Fixed deposits (Note 13)	**982,933**	296,707	**417,096**	281,522
Cash at banks and in hand (Note 13)	**629,998**	352,236	**7,334**	5,526
	1,847,392	969,766	**578,184**	307,112

(b) ***Financial liabilities measured at amortised cost***

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Payables and accruals (Note 14)	**152,849**	166,376	**305**	332
Borrowings (Note 17)	**1,578**	8,058	**–**	–
	154,427	174,434	**305**	332

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. Categories of financial assets and liabilities (Continued)

(c) ***Financial assets at fair value through profit or loss***

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Derivatives (Note 15)	**1,335**	2,931	**–**	–

30. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 25 March 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2022

Total no. of issued shares excluding treasury shares and subsidiary holdings	:	1,482,168,100
Total no. of treasury shares	:	2,736,000
Total no. of subsidiary holdings held	:	NIL
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share The Company cannot exercise any voting right in respect of ordinary shares held by it as treasure shares.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	214	3.55	7,582	0.00
100 – 1,000	530	8.80	365,656	0.03
1,001 – 10,000	3,195	53.02	17,099,500	1.15
10,001 – 1,000,000	2,049	34.00	105,185,188	7.10
1,000,001 AND ABOVE	38	0.63	1,359,510,174	91.72
TOTAL	**6,026**	**100.00**	**1,482,168,100**	**100.00**

SUBSTANTIAL SHAREHOLDERS
(as per the Register of Substantial Shareholders as at 11 March 2022)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Wong Teek Son	8,868,000	0.59	752,133,120	50.75[1]
Ringlet Investment Limited	752,133,120	50.75[2]		
Credit Suisse Trust Limited (in its capacity as trustee of The Ringlet Trust)	752,133,120	50.75[3]		
Lee Wai Keong	130,791,600	8.82	–	–

1 Wong Teek Son is deemed interested in the shares, in which Credit Suisse Trust Limited ("**CST**"), as trustee of The Ringlet Trust (the "**Trust**") is deemed interested in, on account of Wong Teek Son, being a beneficiary of the Trust.

2 Ringlet Investment Limited is wholly owned (through Serangoon Limited and Seletar Limited) by Credit Suisse Trust Limited in its capacity as trustee of The Ringlet Trust.

3 Credit Suisse Trust Limited, in its capacity as trustee of The Ringlet Trust, holds 100% of the shares in Ringlet Investment Limited through Serangoon Limited and Seletar Limited.

4 Percentages are calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) as at 11 March 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2022

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE.) LIMITED	798,685,053	53.89
2	LEE WAI KEONG	130,791,600	8.82
3	CITIBANK NOMINEES SINGAPORE PTE LTD	95,780,711	6.46
4	DBS NOMINEES (PRIVATE) LIMITED	81,369,168	5.49
5	HSBC (SINGAPORE) NOMINEES PTE LTD	54,594,409	3.68
6	WONG TECK CHOON	40,509,920	2.73
7	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	29,479,800	1.99
8	DBSN SERVICES PTE. LTD.	19,735,063	1.33
9	DUMRONGSAK AROONPRASERTKUL	14,304,300	0.97
10	PHILLIP SECURITIES PTE LTD	13,577,084	0.92
11	CHEE TING TUAN	8,700,000	0.59
12	UOB KAY HIAN PRIVATE LIMITED	7,324,920	0.49
13	MAYBANK SECURITIES PTE. LTD.	5,933,940	0.40
14	IFAST FINANCIAL PTE. LTD.	5,779,200	0.39
15	DB NOMINEES (SINGAPORE) PTE LTD	5,174,000	0.35
16	SAN TAI CONSTRUCTION (S) PTE LTD	5,000,000	0.34
17	LAM YOON CHAN	4,580,800	0.31
18	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,974,300	0.27
19	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,491,900	0.24
20	OCBC SECURITIES PRIVATE LIMITED	2,791,872	0.19
	TOTAL	**1,331,578,040**	**89.85**

Shareholdings Held on the Hands of the Public

Based on information available to the Company as at 11 March 2022, approximately 36.04% of the total number of issued shares excluding treasury shares of the Company was held by the public. Therefore, the Company is in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Treasury Shares

As at 11 March 2022, the Company held 2,736,000 treasury shares, representing 0.185 % of the total issued shares excluding treasury shares.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Riverstone Holdings Limited (the "**Company**") will be held by way of electronic means on Monday, 25 April 2022 at 2.00 p.m. for the purpose of transacting the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Wong Teek Son who is retiring by rotation pursuant to Regulation 93 of the Constitution of the Company. [See Explanatory Note (i)] **(Resolution 2)**

3. To re-elect Mr Raymond Fam Chye Soon who is retiring by rotation pursuant to Regulation 93 of the Constitution of the Company. [See Explanatory Note (ii)] **(Resolution 3)**

4. To approve a final tax exempt (one-tier) dividend of 28.00 sen (RM) per ordinary share for the financial year ended 31 December 2021. **(Resolution 4)**

5. To approve the payment of the Directors' fees of SGD221,000.00 or approximately RM680,680.00 (based on the rate of exchange of SGD1: RM3.08) for the financial year ending 31 December 2022 to be paid on a quarterly basis (2021: SGD232,000.00 or RM715,441.00 based on the exchange rate of SGD1: RM3.0838) **(Resolution 5)**

6. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolution, with or without modifications:

8. Authority to issue shares **(Resolution 7)**

"THAT, pursuant to Section 161 of the Companies Act 1967 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:–

(a) (i) issue shares in the capital of the Company ("**shares**") way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing members of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below).

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note (iii)]

BY ORDER OF THE BOARD

Chan Lai Yin
Company Secretary

Singapore, 2 April 2022

Explanatory Notes:

(i) The detailed information relating to Mr Wong Teek Son as required under Rule 720(6) of the Listing Manual of the SGX-ST is set out under "Disclosure of Information on Director seeking re-election" of the Company's Annual Report. Mr Wong Teek Son will, upon re-election as a Director, remain as the Executive Chairman and Chief Executive Officer and Member of the Nominating Committee.

(ii) The detailed information relating to Mr Raymond Fam Chye Soon as required under Rule 720(6) of the Listing Manual of the SGX-ST is set out under "Disclosure of Information on Director seeking re-election" of the Company's Annual Report. Mr Raymond Fam Chye Soon will, upon re-election as a Director, remain as Independent Non-Executive Director, Chairman of Remuneration Committee and Member of the Audit Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(iii) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors from the date of the above Meeting until (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed fifty per cent. (50%) of the Company's total number of issued shares (excluding treasury shares and subsidiary holdings). For issues of shares other than on a pro-rata basis to all members, the aggregate number of shares to be issued will not exceed twenty per cent. (20%) of Company's total number of issued shares excluding treasury shares and subsidiary holdings of the Company. However, notwithstanding the cessation of this authority, the Directors are empowered to issue shares pursuant to any Instrument made or granted under this authority.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

i. The Annual General Meeting of the Company ("**AGM**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL www.riverstone.com.my. This Notice will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

ii. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by members can participate at the AGM by observing and/or listening to the proceedings of the AGM through either live audio-visual webcast or live audio-only stream ("**electronic means**"), submission of questions in advance of the AGM, addressing of substantial and relevant questions, are set out in the Company's announcement released on 1 April 2022 (the "**Announcement**"), which has been uploaded together with this Notice of AGM on the SGXNet on the same day. The Announcement may also be accessed on the Company's website www.riverstone.com.my. For the avoidance of doubt, the aforesaid section forms part of this Notice of AGM.

iii. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person. A member of the Company (whether individual or corporate and including a Relevant Intermediary*) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM, if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate and including a Relevant Intermediary*) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

iv. The Chairman of the AGM, as proxy, need not be a member of the Company.

v. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:

(a) be deposited at the Company's registered office at 80 Robinson Road, #02-00 Singapore 068898; or

(b) send electronic mail to proxy2022@riverstone.com.my enclosing signed PDF copy of the Proxy Form;

not less than forty-eight (48) hours before the time appointed for the AGM.

vi. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

vii. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investors**") who wishes to exercise his/her votes at the AGM by appointing the Chairman of the Meeting as proxy should approach his/her respective agent bank or SRS Approved Bank to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

RECORD DATE

Subject to members' approval to the proposed final dividend at the Annual General Meeting, the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2022 for the preparation of dividend warrants for the proposed final tax exempt (one-tier) of 28.00 sen (RM) per ordinary share for the financial year ended 31 December 2021 (the "**Proposed Final Dividend**").

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on 5 May 2022 (the "**Record Date**") will be registered to determine members' entitlements to the Proposed Final Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on the Record Date will be entitled to the Proposed Final Dividend.

Payment of the Proposed Final Dividend, if approved by the members at the Annual General Meeting, will be made on 19 May 2022.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the Annual General Meeting as proxy to vote at the Annual General Meeting and/or any adjournment thereof, and/or (b) by registering to attend the AGM via electronic means, and/or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the "Chairman of the Annual General Meeting" as proxy for the AGM (including any adjournment thereof);

(ii) processing the pre-registration forms for purposes of granting access to members (or their corporate representatives in the case of members who are legal entities) to view the live webcast of the AGM proceedings and providing viewers with any technical assistance, where necessary;

(iii) addressing selected questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following directors are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be held by way of electronic means on 25 April 2022 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**"):

1. Mr Wong Teek Son; and
2. Mr Raymond Fam Chye Soon

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	Mr Wong Teek Son	**Mr Raymond Fam Chye Soon**
Date of Appointment	3 August 2005	3 June 2020
Date of last re-appointment	3 June 2020	3 June 2020
Age	59	59
Country of principal residence	Malaysia	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation and suitability of Mr Wong Teek Son for re-elect as Executive Chairman and Chief Executive Officer of the Company. The Board have reviewed and concluded that Mr Wong Teek Son possess the experience, expertise, knowledge and skills to contribute towards the core competences of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed the qualification, experiences, and expertise of Mr Raymond Fam Chye Soon and was of the view that Mr Raymond Fam Chye Soon will be able to contribute towards the core competences of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive Mr Wong Teek Son is responsible for developing business strategies and oversee the Group's operations.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer Member of Nominating Committee	Independent Non-Executive Director Chairman of Remuneration Committee and member of Audit Committee

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Wong Teek Son	Mr Raymond Fam Chye Soon
Professional qualifications	Master in Business Administration from Monash University and a Bachelor of Science (Hons) from the University of Malaya	A member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants and holds a Masters in Financial Planning from University of Sunshine Coast, Australia and Corporate Finance qualification from Institute of Chartered Accountants in England and Wales
Working experience and occupation(s) during the past 10 years	Founder and Chief Executive Officer of the Company since incorporation on 3 August 2005	23 September 2008 to 23 September 2017: Independent Non-Executive Director of AmGeneral Insurance Berhad March 2008 to August 2015: Independent Non-Executive Director of Octagon Consolidated Berhad 15 January 2015 to 28 September 2021: Independent Non-Executive Director of AmBank (M) Bhd
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 8,868,000 Deemed interest: 752,133,120 Mr Wong Teek Son is deemed interested in the shares, in which Credit Suisse Trust Limited ("CST"), as trustee of The Ringlet Trust (the "Trust") is deemed interested in, on account of Mr Wong Teek Son, being a beneficiary of the Trust	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Wong Teek Son	Mr Raymond Fam Chye Soon
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships#	Past (for the last 5 years) N/A Present 1. Riverstone Resources (S) Pte Ltd 2. Riverstone Resources Sdn Bhd 3. Liverstone Resources (Wuxi) Co. Ltd. 4. Riverstone Industrial Products Sdn Bhd 5. Protective Technology Co. Ltd 6. Eco Medi Glove Sdn Bhd 7. Eco Star Glove Sdn Bhd	Past (for the last 5 years) 1. AmGeneral Insurance Berhad 2. AmBank (M) Bhd Present 1. Benefit Trio Sdn Bhd 2. Tiga Manfaat Sdn Bhd
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Wong Teek Son	Mr Raymond Fam Chye Soon
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Wong Teek Son	Mr Raymond Fam Chye Soon
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Wong Teek Son	Mr Raymond Fam Chye Soon
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Wong Teek Son	**Mr Raymond Fam Chye Soon**
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

This page has been intentionally left blank

RIVERSTONE HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200510666D)

PROXY FORM

IMPORTANT:
1. The Annual General Meeting of the Company ("**AGM**") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM, are set out in the accompanying Company's announcement released on 1 April 2022 (the "**Announcement**"), which has been uploaded together with the Notice of AGM dated 2 April 2022 on SGXNet. The Announcement may also be accessed at the Company's corporate website at www.riverstone.com.my. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of AGM dated 2 April 2022 in respect of the AGM.
3. A member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate and including a Relevant Intermediary*) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate and including a Relevant Intermediary*) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
4. SRS investors who wish to exercise their votes by appointing the Chairman of the AGM to act as their proxy should approach their SRS Operators to submit their voting instructions to the Company, at least seven (7) working days prior to the date of the AGM(i.e. by 2:00 p.m. on 13 April 2022).

By submitting an instrument appointing the Chairman of the AGM as proxy, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 2 April 2022.

*I/We ______________________ (Name) ______________________ (NRIC/Passport No./Co. Registration No.)

of ____ (Address)

being a *member/members of Riverstone Holdings Limited (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting as *my/our *proxy/proxies to attend and to vote for *me/us on my/our behalf at the Annual General Meeting (the "**AGM**") of the Company to be held by way of electronic means on Monday, 25 April 2022 at 2:00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any matter arising at the AGM and at any adjournment thereof.

*Please delete accordingly

No.	Ordinary Resolutions	No. of Votes For**	No. of Votes Against**	No. of Votes Abstain**
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors' Statement and the Auditors' Report thereon			
2.	To re-elect Mr Wong Teek Son as director			
3.	To re-elect Mr Raymond Fam Chye Soon as director			
4.	To approve a final tax exempt (one-tier) dividend			
5.	To approve the payment of Directors' fees			
6.	To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration			
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967			

Notes:

* Delete accordingly

** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick "X" in the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you mark "X" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

Dated this day .... of 2022

Total Number of Shares Held

....

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

AFFIX
STAMP

The Company Secretary

RIVERSTONE HOLDINGS LIMITED
80 Robinson Road
#02-00
Singapore 068898

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person and must appoint the Chairman of the AGM as proxy to attend, speak and vote on the member's behalf at the AGM and at any adjournment thereof. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. If a member (whether individual or corporate and including a Relevant Intermediary*) wishes to exercise his/her/its votes, he/she/it must submit this Proxy Form to appoint the Chairman of the AGM to vote on his/her/its behalf. A member (whether individual or corporate including a Relevant Intermediary*) appointing the Chairman of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in this Proxy Form, failing which the appointment will be treated as invalid.

3. SRS Investors who wish to exercise their votes by appointing the Chairman of the AGM to act as their proxy should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 2:00 p.m. on 13 April 2022). SRS Investors should not directly appoint the Chairman as proxy to direct the vote.

4. Relevant Intermediaries shall also appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM. Together with the instrument appointing a proxy, the Relevant Intermediaries shall provide to the Company a list of attendees who would like to participate at the AGM by observing and/or listening to the proceedings of the AGM through either live audio-visual webcast or live audio-only stream with such information that may be requested by the Company.

   * A Relevant Intermediary is:

   (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the AGM as proxy must be deposited at the Company's share registrar at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 or sending a scanned PDF copy via email to proxy2022@riverstone.com.my not less than forty-eight (48) hours before the time appointed for the meeting.

7. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorized officer.

8. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

9. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

10. The Company shall be entitled to reject an instrument appointing the Chairman of the AGM as proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the AGM as proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

11. By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 2 April 2022.

This page has been intentionally left blank

This page has been intentionally left blank

Company Registration No. 200510666D

MALAYSIA

Lot 55, No. 13, Jalan Jasmin 2, Kawasan Perindustrian Bukit Beruntung, 48300 Bukit Beruntung, Selangor, Malaysia.
Tel +603 6028 3033 Fax +603 6028 3022

THAILAND

208, Moo 7, Tambol Thatoom, Amphur Srimahaphot Prachinburi, Thailand 25140
Tel +663 741 4097 Fax +663 741 4088

CHINA

No. 35-311 Factory Building, Life Sci-Tech. Park, No. 35,Changjiang South Road, Airport Industrial Park, Wuxi, Jiangsu China 214029
Tel +86 510 8531 1811 / 1812 Fax +86 510 8531 1815