

Riverstone Holdings Ltd

Corporate Presentation

3Q2021



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- Business Overview
 - Key Milestones
 - Group Structure
 - Financial Highlights
 - Investment Merits
 - Future Outlook
 - ESG Presentation





Manufacturing

- 1 High Tech Cleanroom Gloves
- 2 Premium Healthcare Gloves
- 3 Cleanroom Consumables





KEY MILESTONES



Established to provide glove chlorination, laundry and packaging services to glove manufacturers in Malaysia



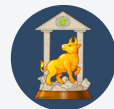
1989

1994



Pioneered the manufacture of nitrile cleanroom gloves in Malaysia

Successfully listed on the Mainboard of Singapore Exchange (SGX:AP4)



2006

2009



Diversified into production of premium healthcare gloves

Incorporated Eco Medi Glove S/B & Launched a five-year expansion plan to bring total production capacity to 8.6 billion (later revised in 2017 to 9.0 billion) by the end of FY2018



2013

2020



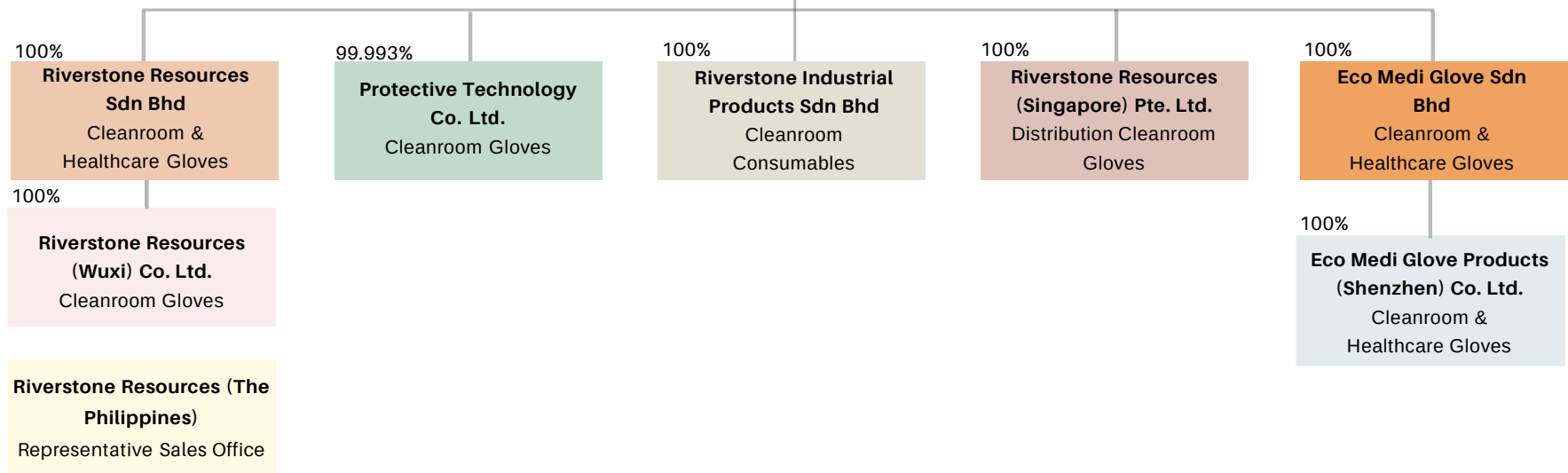
Launched phase 6 expansion plan to add another 1.4 billion pieces to 10.4 billion pieces in total annual production capacity



GROUP STRUCTURE




Riverstone Holdings Limited
(Investment Holding)






BUSINESS SITES




 **MALAYSIA (BUKIT BERUNTUNG)**
RIVERSTONE RESOURCES SDN BHD




 **MALAYSIA (TAIPING)**
RIVERSTONE RESOURCES SDN BHD



 **MALAYSIA (BUKIT BERUNTUNG)**
RIVERSTONE INDUSTRIAL PRODUCTS SDN BHD



 **MALAYSIA (TAIPING)**
ECO MEDI GLOVE SDN BHD



BUSINESS SITES



CHINA
RIVERSTONE RESOURCES (WUXI) COMPANY LIMITED



THAILAND
PROTECTIVE TECHNOLOGY COMPANY LIMITED



01. CLEANROOM BUSINESS



Cleanroom gloves



Cleanroom consumables

02. HEALTHCARE BUSINESS



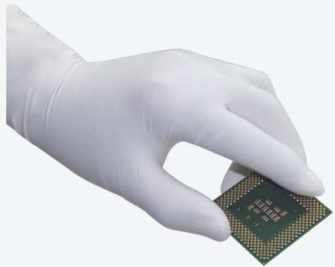
Examination gloves



Food grade gloves



Personal protective equipment



01 Introduction

Cleanroom gloves: **To protect semiconductor products** from contamination, corrosion & ESD.

02 Product Suite

- Nitrile gloves
- Latex gloves
- Finger cots
- Packaging Materials
- Face mask

03 Business Model

- Riverstone is an own-brand manufacturer (OBM), developing high tech cleanroom gloves that's sold directly to customers via regional offices
- Riverstone provides solutions for contamination, corrosion & ESD to customers

04 Market



High end electronics & semiconductor sector

HDD, Mobile, Automotive, Chips, Aerospace



Pharmaceutical sector



01 Introduction

Healthcare gloves offer users a protection barrier against biohazards whilst performing general medical practices.

03 Business Model

- (i) Riverstone develops in-house & produce specialty gloves
- (ii) Riverstone is an OEM for selected customers

02 Product Suite

- Procedure gloves
- High risk gloves
- Hand specific gloves
- Dental gloves
- Accelerator free gloves

04 Market



Healthcare sector

Hospitals, Laboratories, Nursing homes



Food sector

Manufacturers, Restaurants, Airlines, Hotels



FINANCIAL HIGHLIGHTS (unaudited)

YOY Comparison

Result Overview

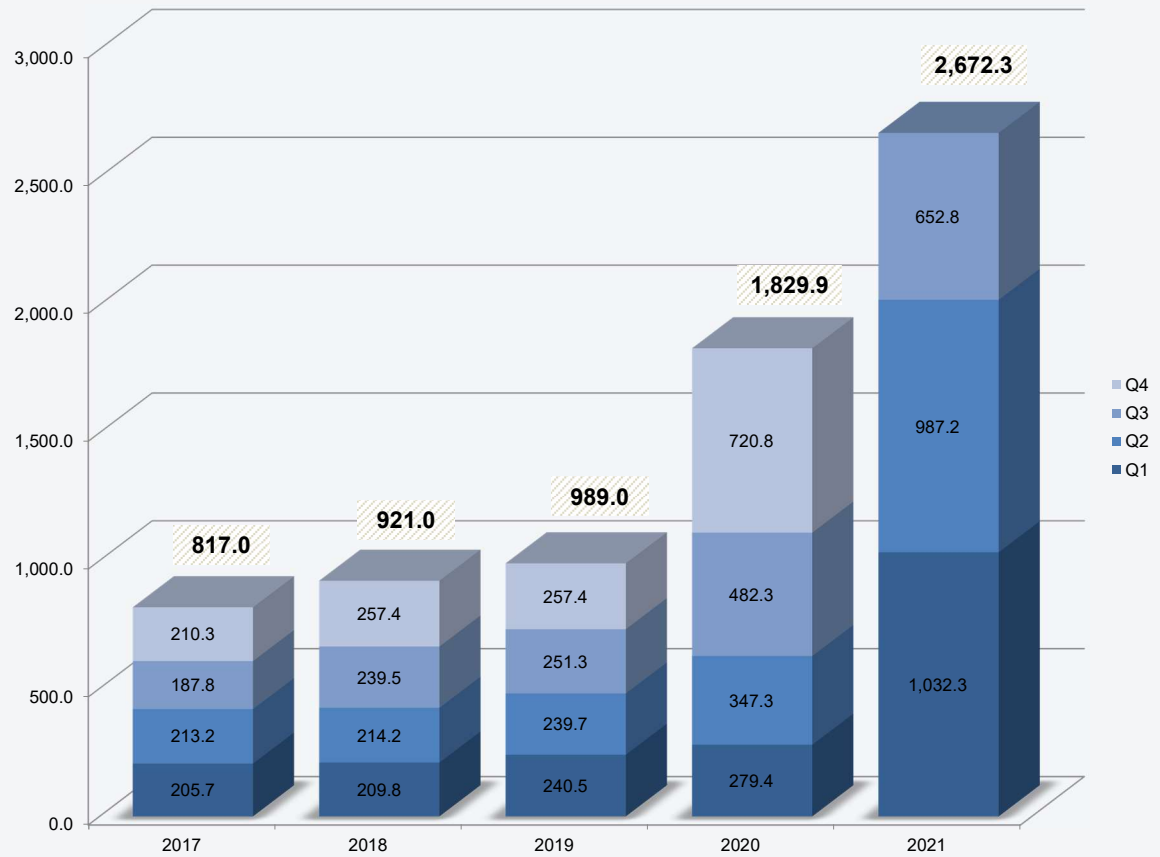
	9MFY2021 (RM'000)	9MFY2020 (RM'000)	Change (%)	3Q2021 (RM'000)	3Q2020 (RM'000)	Change (%)
Revenue	2,672,289	1,109,042	141.0	652,798	482,341	35.3
Gross Profit	1,752,431	449,359	290.0	357,212	251,631	42.0
Profit Before Tax	1,709,597	407,668	319.4	350,215	232,448	50.7
Net Profit	1,307,174	316,156	313.5	266,443	178,630	49.2

*Totalled figures may have some discrepancy due to rounding



FINANCIAL HIGHLIGHTS (FP 2021 unaudited)

Growing Revenues

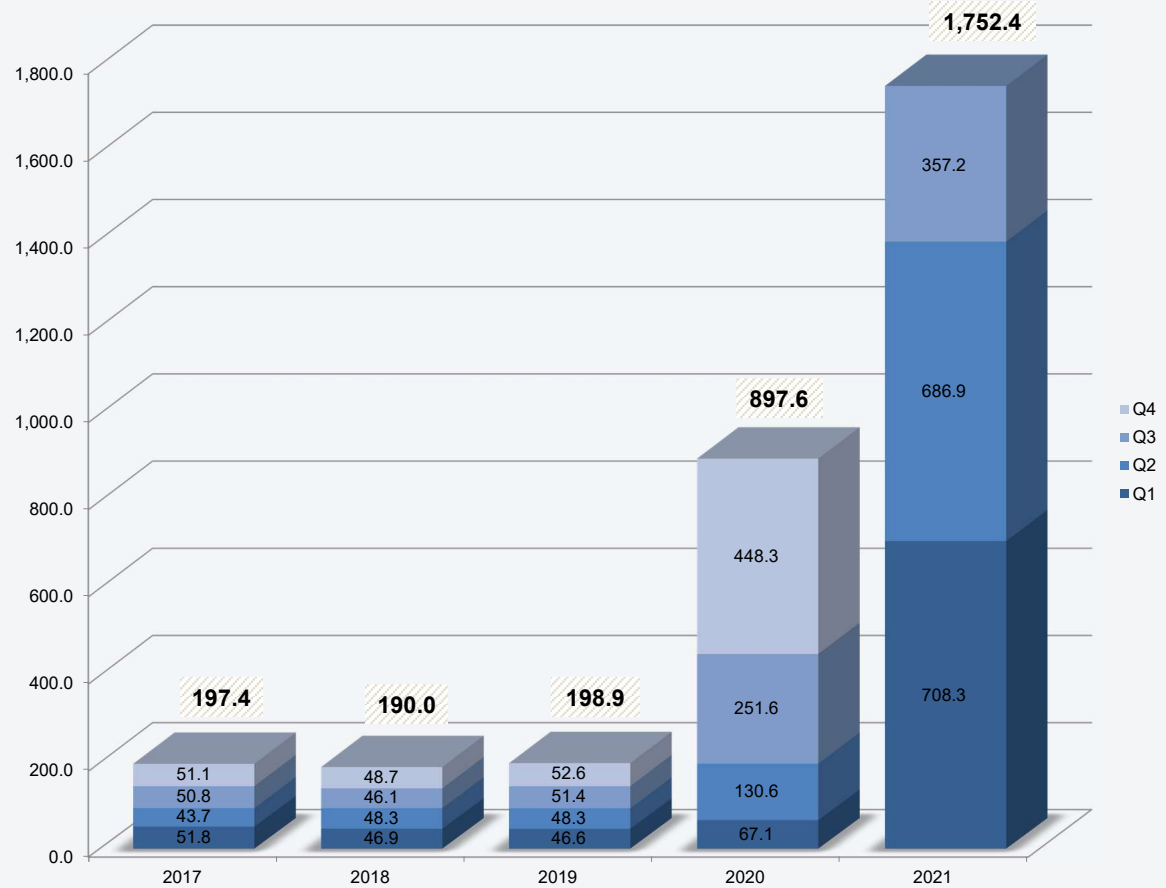


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FINANCIAL HIGHLIGHTS (FP 2021 unaudited)

Gross Profit

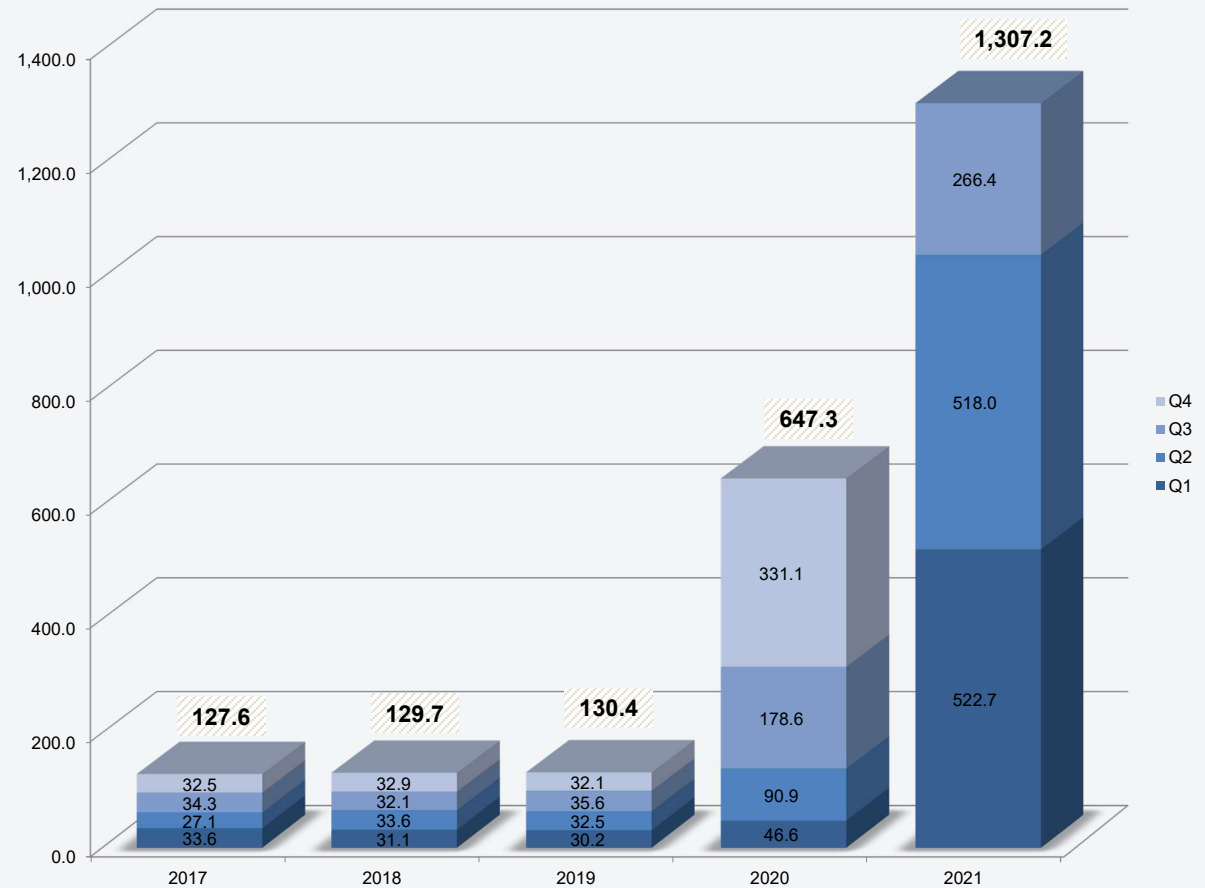


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FINANCIAL HIGHLIGHTS (FP 2021 unaudited)

Net Profit

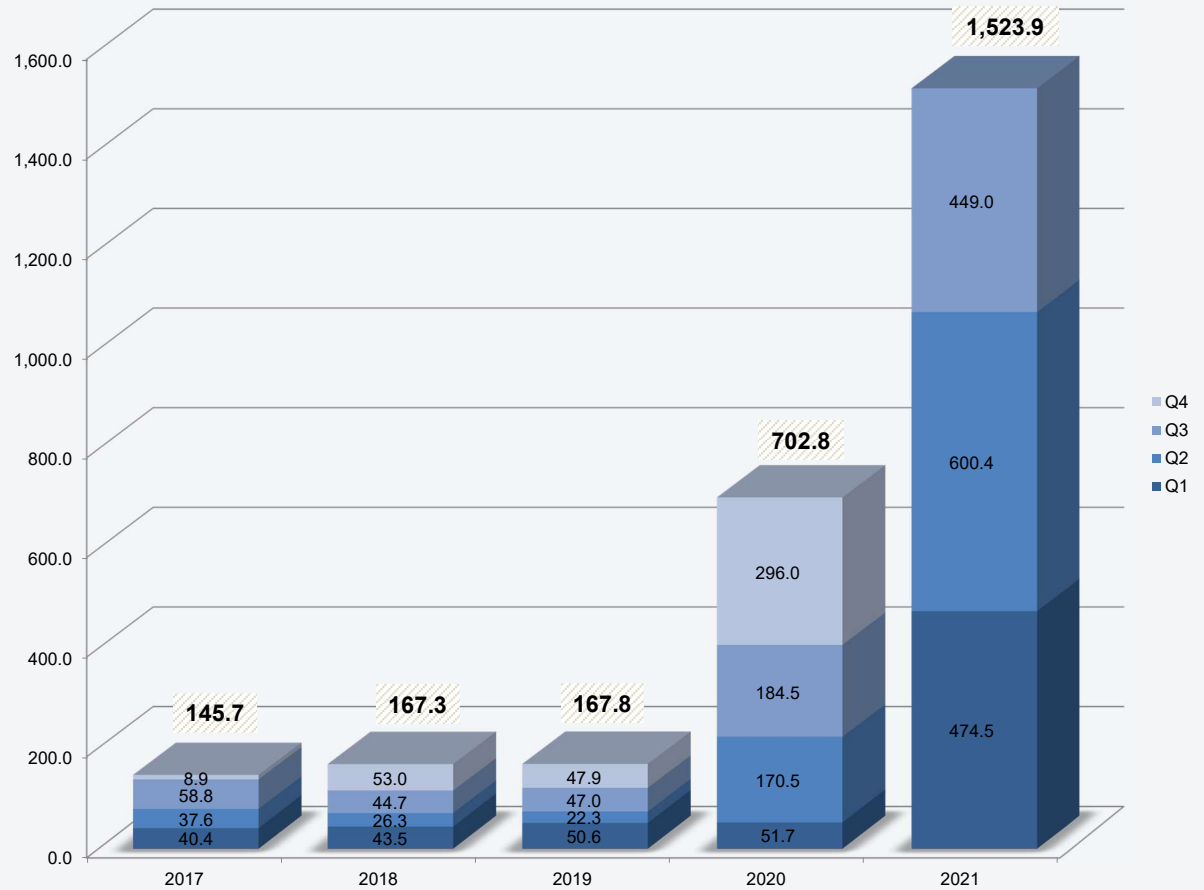


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FINANCIAL HIGHLIGHTS (FP 2021 unaudited)

Operating Cash Flow



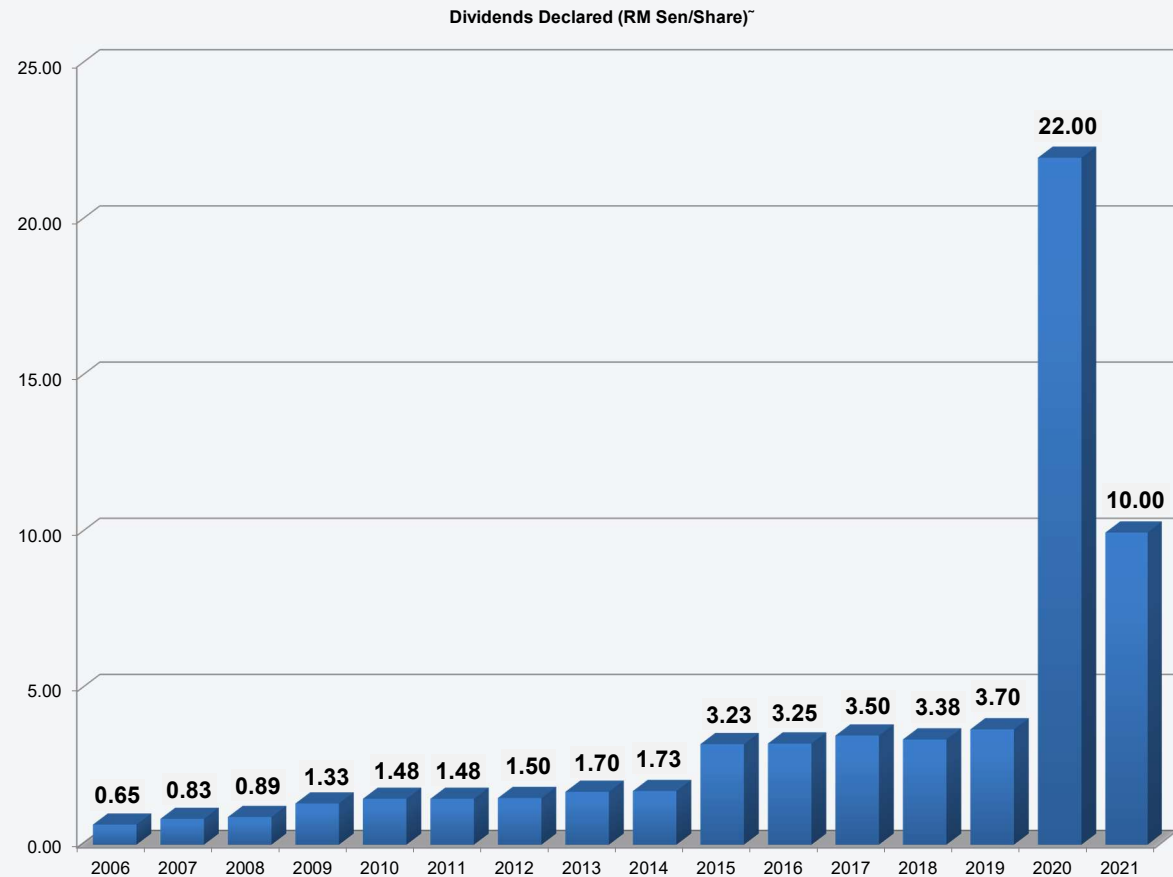
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FINANCIAL HIGHLIGHTS (FP 2021 unaudited)

Consistent Dividend since IPO

Dividend Payout Ratio	
FY2020	50.4%
FY2019	42.0%
FY2018	38.6%
FY2017	40.7%
FY2016	40.0%
FY2015	37.8%
FY2014	36.0%
FY2013	42.4%
FY2012	49.3%
FY2011	48.4%
FY2010	45.5%
FY2009	55.6%
FY2008	45.2%
FY2007	45.0%



Competitive Advantages



Extensive R&D



Leading in-house technology
(in terms of Electrostatic
Discharge properties)



Partnership & collaboration with
customers



Solutions provider



State-of-the-art product
testing facilities



High barrier of entry for cleanroom
gloves



INVESTMENT MERITS

RESILIENT BALANCE SHEET

- Net cash position
- Sustainable positive operating cash flow

CONSISTENT DIVIDEND PAYOUT

- Consistent payout since listing

DISTINCTION FROM PEERS

- 2 sources of revenue (diversified)
- High tech cleanroom gloves
- Premium healthcare gloves

EXTENSIVE R&D

- Consistent product development track record
- Solutions provider to customers
- Dedicated R&D team consisting of chemists with 25+ years of experience

FLEXIBLE PRODUCTION FACILITIES

- Not dependent on single type of product
- Flexible to produce customisable products which provide higher value-add

QUARTERLY BUSINESS UPDATE

- Voluntary quarterly business update



CAPACITY EXPANSION

Y2021A* - 10.5 billion pcs

Y2022E - 12.0 billion pcs

Y2023E - 13.5 billion pcs

Y2024E - 15.0 billion pcs

*Capacity expansion delayed by 1 year due to lockdowns in Y2021



Challenges



Competition from newcomers & Chinese manufacturers



Glove purchase slowdown

Solutions



**Diversified into 2 sources
(Cleanroom & Medical)**



**Well-established with
greater experience/expertise
(Customer trust)**



**Cost management (Product
streamlining)**

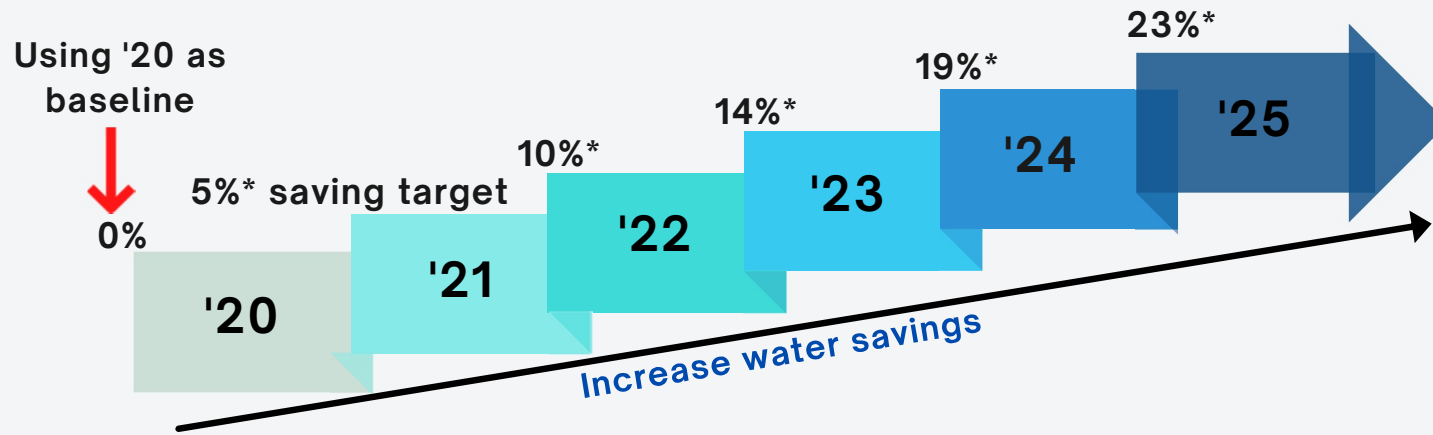


Riverstone Holdings Ltd

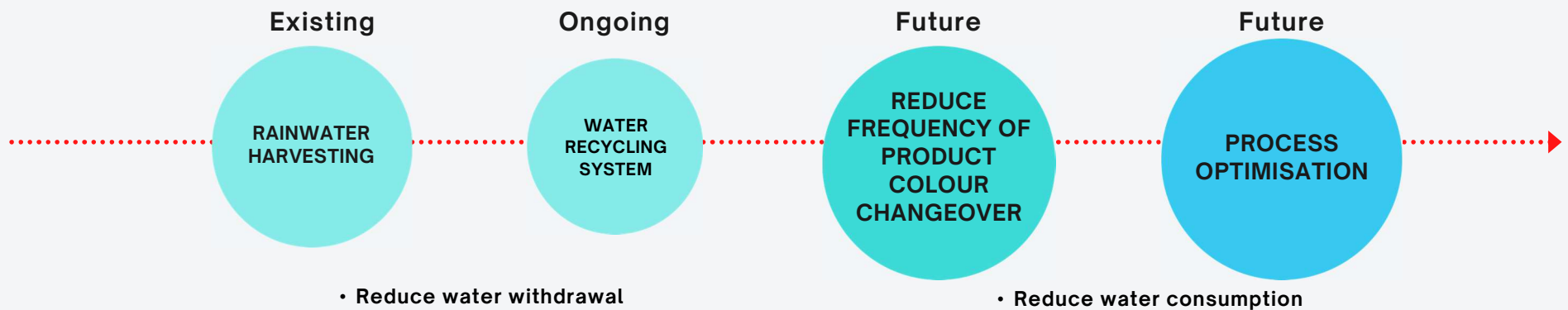
ESG presentation 2021



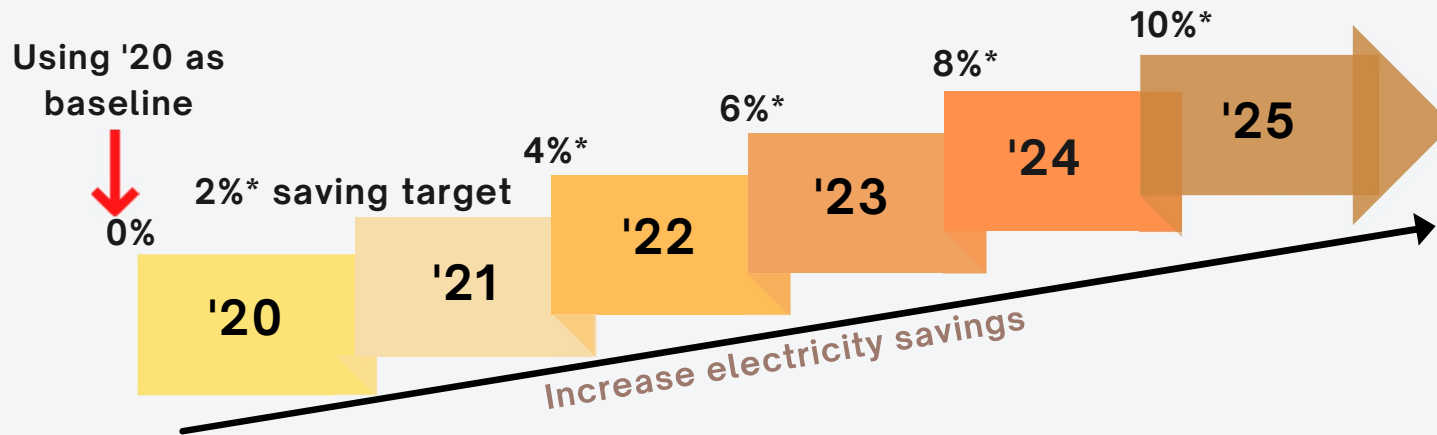
REDUCE WATER USAGE



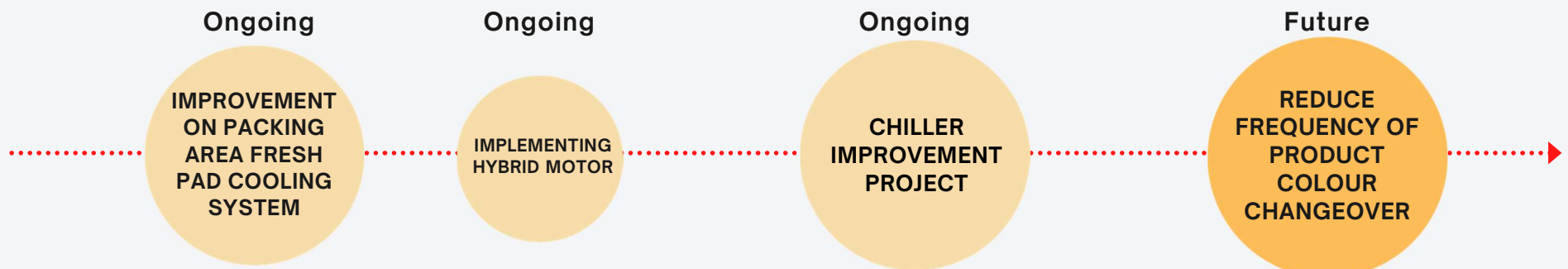
*All % water savings are calculated by using '20 as the baseline.



REDUCE ELECTRICITY CONSUMPTION



*All % electricity savings are calculated by using '20 as the baseline.

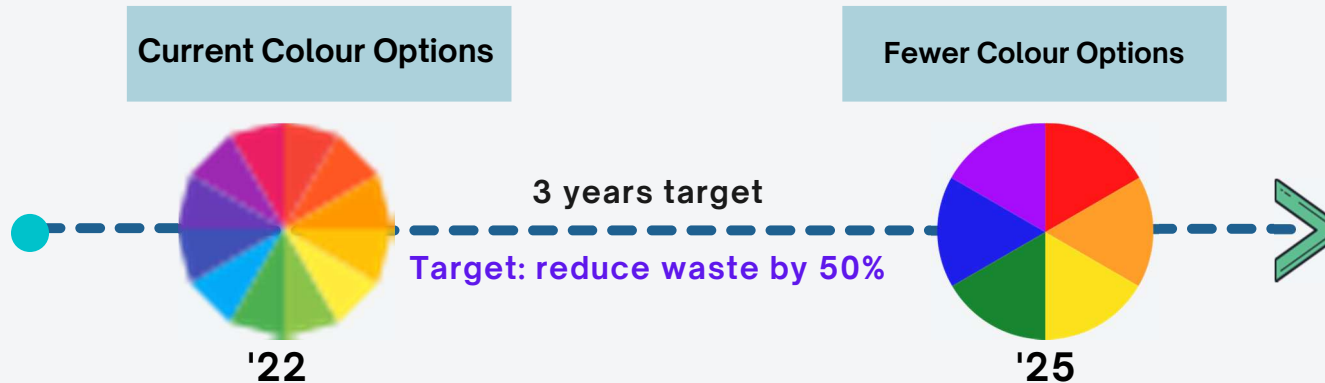


• The ongoing projects conserve electricity

• Restarting equipment requires higher electricity consumption

REDUCE WASTAGE

Reduce Frequency of Product Colour Changeover



"When different product colours are requested, **WASTE** is created due to **PRODUCT CHANGEOVER**"

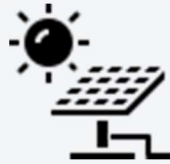
Reduced Product Colour Options = Fewer Changeovers = Waste is Minimised



Objective: Sales team to encourage customers to reduce glove colour options.

SUSTAINABLE ENERGY WITH EMISSION REDUCTION

Solar panel



- Generates 744,000 kWh electricity from solar energy annually.



- Reduces greenhouse gas emission by approximately 516.30 tCO₂e/year.

Biomass



- Biomass is a renewable energy source from byproducts (sawdust, wood chips & palm kernels).



- Aim to install Electrostatic precipitators (ESP) to improve dust capture efficiency and reduce particle emission by '23.
- Continuous Emission Monitoring System (CEMS) will be installed to improve emission observations



- Built our own workers' hostel equipped with gymnasium, indoor sports arena, first aid room, barber shops, grocery shops, and laundry services.





Employee Welfare

- Yearly bonus + special bonus: 3.5 months to 6.0 months bonus in 2020 & 2021 is paid across the company.
- Special incentive: MYR 25 per day during EMCO.
- Three free meals & mobile data was provided during lockdown for all residents in company hostel.



Development

- Provides technical and soft skills training, language classes, and local cultural adaptation classes to all local and foreign employees.
- Continue to support our employees to pursue higher education.
- Arranges customer and supplier site visits to provide different industry exposures.



- Annual budget allocated to provide our employees' children with payment assistance when school reopens.
- In the process of setting up a charitable foundation (Yayasan).





CORPORATE GOVERNANCE

"We believe sound corporate governance practices lead to proper functioning of the company"

1

BOARD STRUCTURE



- Comprises 4 independent directors and 2 executive directors.

2

COMMITTEES



- Audit Committee: 3 independent directors.
- Remuneration Committee: 3 independent directors.
- Nominating Committee: 2 independent directors and an executive director.

3

Voluntary Quarterly Business Update

- Consistently publish quarterly business update voluntarily despite SGX relaxation rule for PLCs to only report half-yearly results since Feb '20.

4

MANAGEMENT DIVERSITY

- Gender balance in management and country representatives.
- Diverse Board with wide-ranging expertise, background and knowledge.

5

ESG COMMITTEE

- Set up a new ESG committee with new members in 2021.
- Currently, there are representatives from 8 departments (Production, Engineering, R&D, Maintenance, QA, Health & Safety, Finance and HR) in this committee.
- Plans to appoint individual representative consists of country heads (China, Thailand and Malaysia) to the committee.
- Continuous improvement of the company's performance in ESG aspects.



CERTIFICATIONS & COMPLIANCES





THANK YOU