

Riverstone Holdings Ltd

**Corporate
Presentation
1H2023**



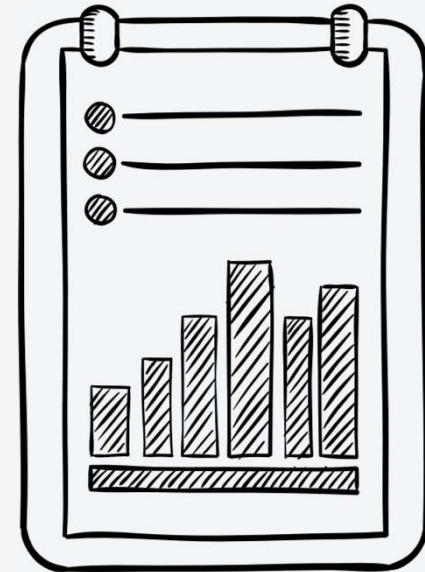
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-
- Business Overview
 - Key Milestones
 - Group Structure
 - Financial Highlights
 - Investment Merits
 - ESG Presentation





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



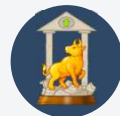
1989

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

Eco Medi Glove S/B, a subsidiary 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

2020/21



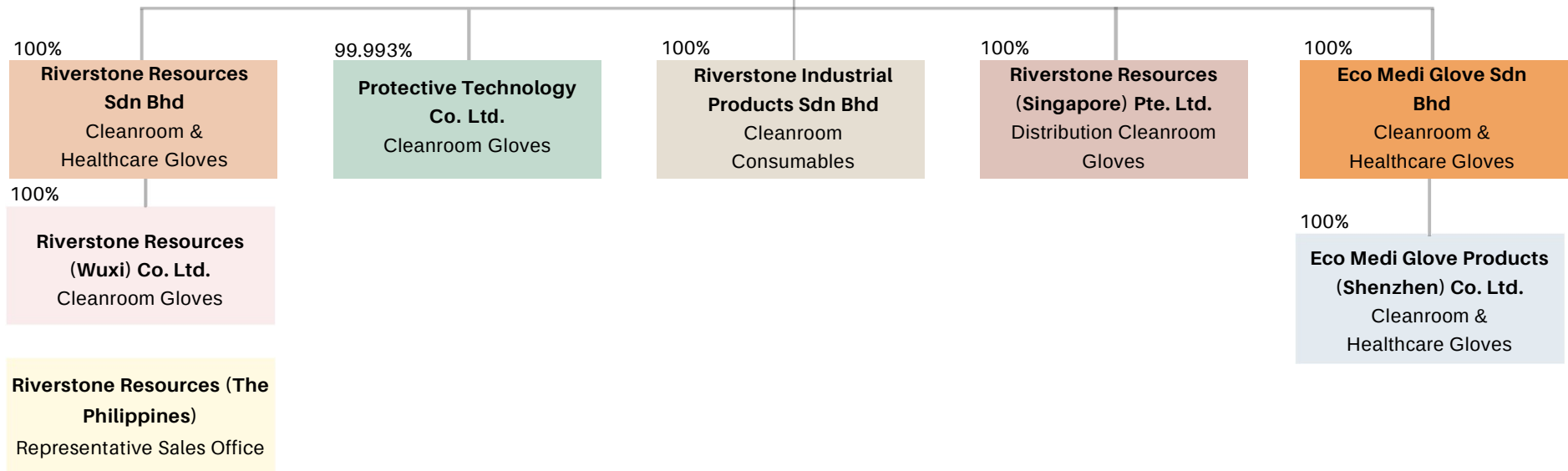
Launched phase 6 expansion plan to add another 1.5 billion pieces to 10.5 billion pieces in total annual production capacity



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



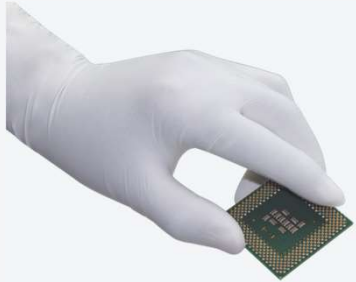
Food grade gloves



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

- (i) Riverstone is an own-brand manufacturer (OBM), developing high tech cleanroom gloves that's sold directly to customers via regional offices
- (ii) 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 (1H2023 unaudited)

YOY Comparison

Result Overview

QOQ Comparison

Result Overview

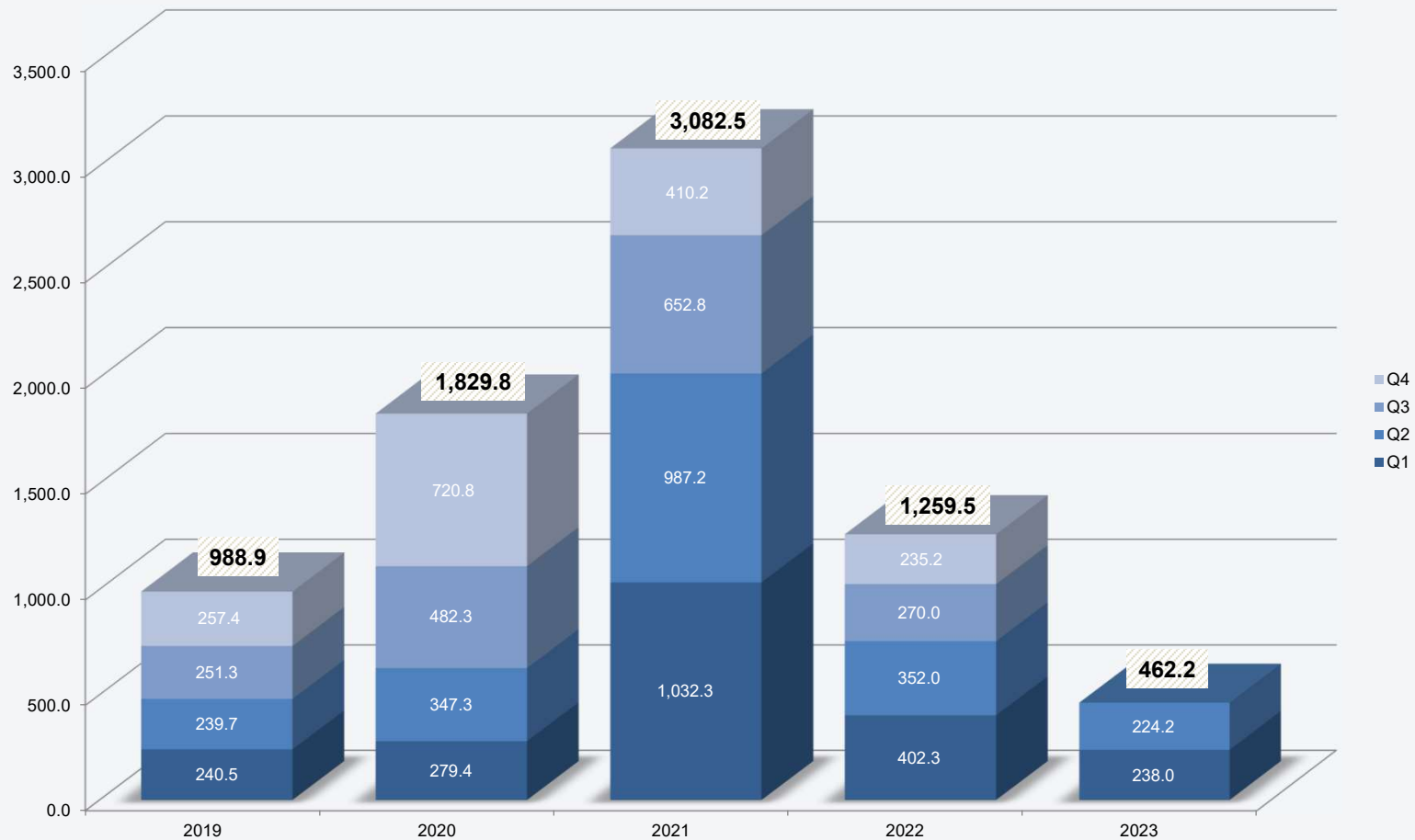
	1H2023 (RM'000)	1H2022 (RM'000)	Change (%)	2Q2023 (RM'000)	1Q2023 (RM'000)	Change (%)
Revenue	462,161	754,300	(38.7)	224,160	238,001	(5.8)
Gross Profit	126,773	288,261	(56.0)	64,828	61,945	4.7
Profit Before Tax	121,247	270,942	(55.2)	61,637	59,610	3.4
Net Profit	93,583	208,933	(55.2)	46,864	46,719	0.3

*Totalled figures may have some discrepancy due to rounding



FINANCIAL HIGHLIGHTS (1H2023 unaudited)

Revenue (RM'million)

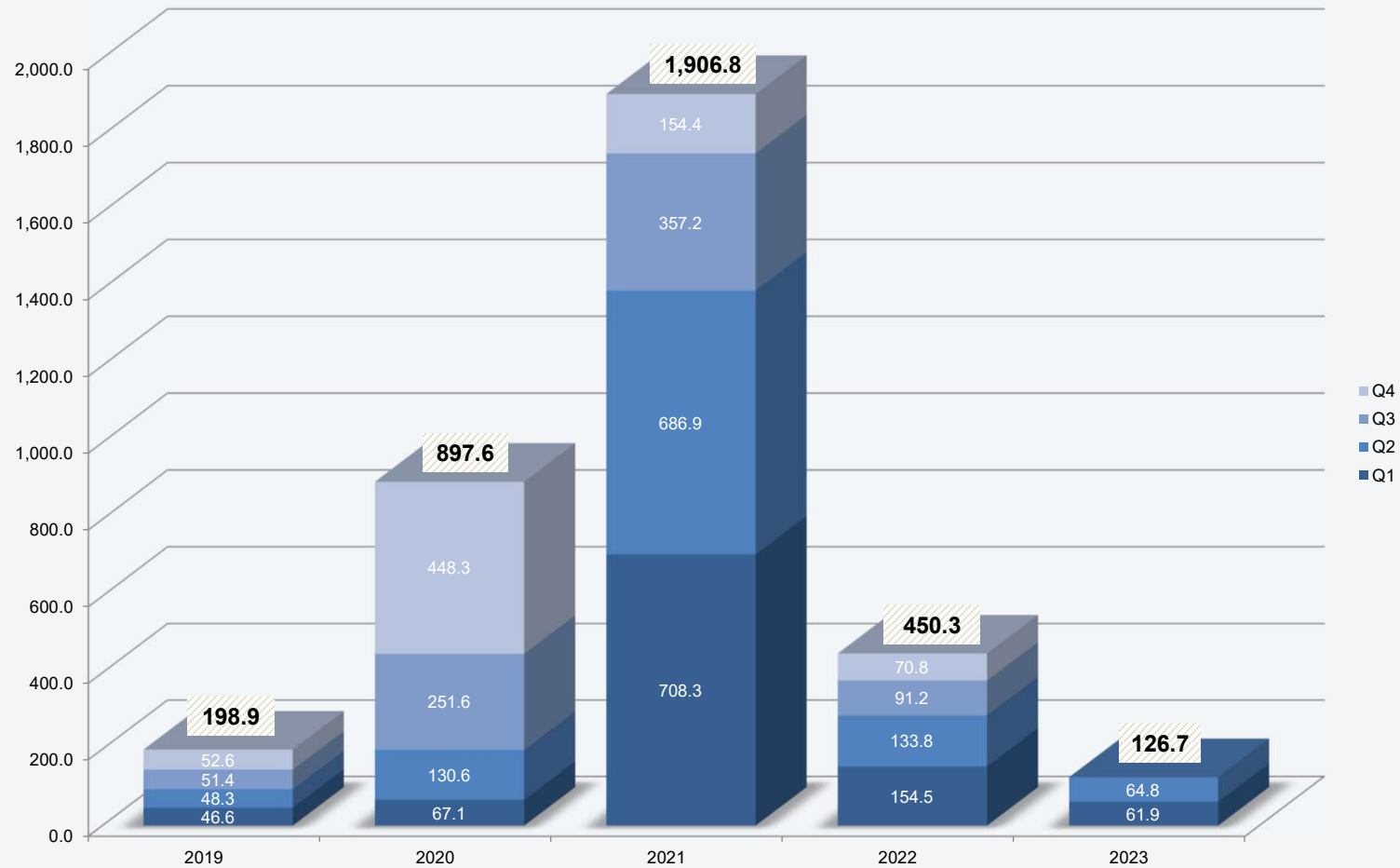


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FINANCIAL HIGHLIGHTS (1H2023 unaudited)

Gross Profit (RM'million)

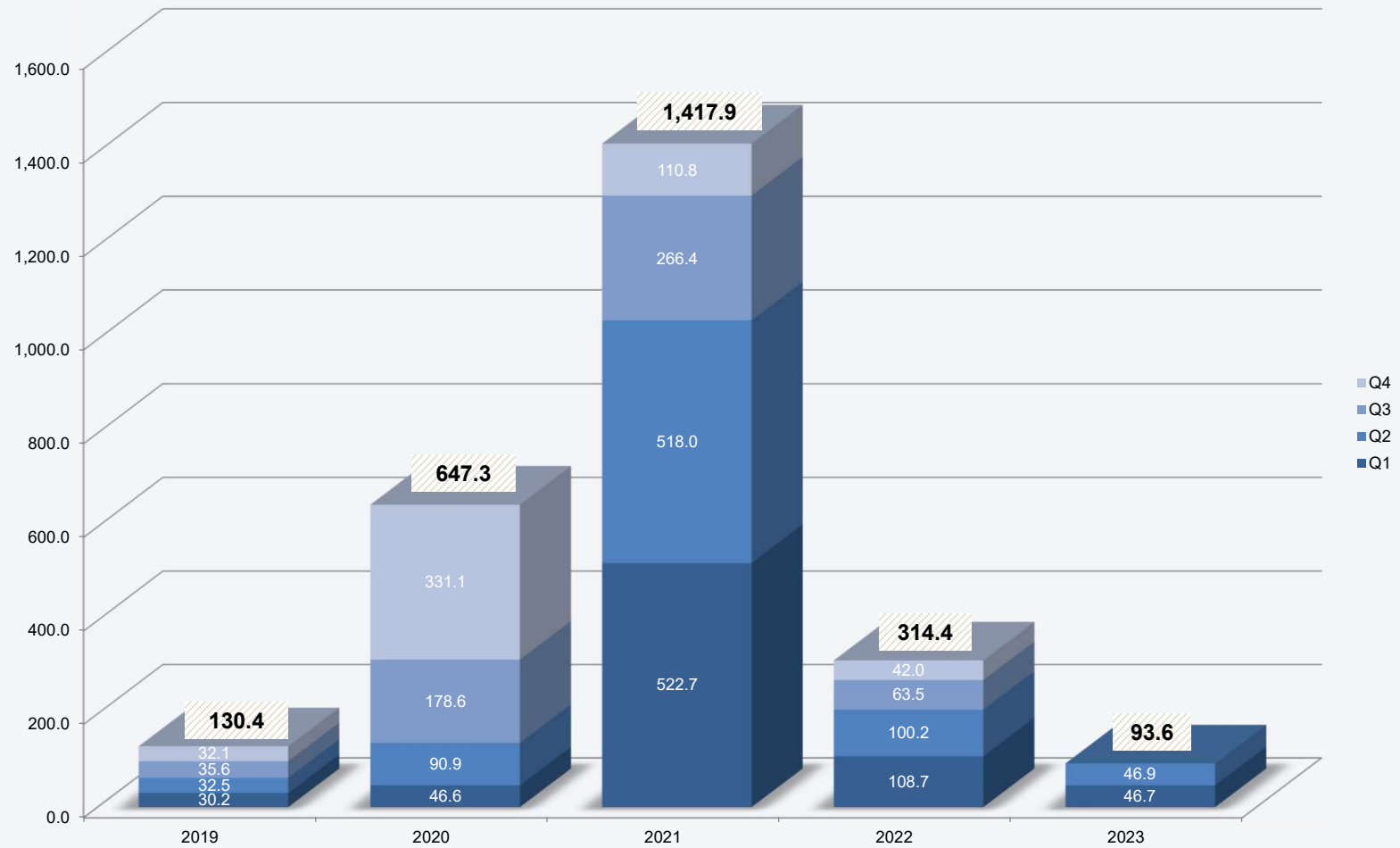


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FINANCIAL HIGHLIGHTS (1H2023 unaudited)

Net Profit (RM'million)

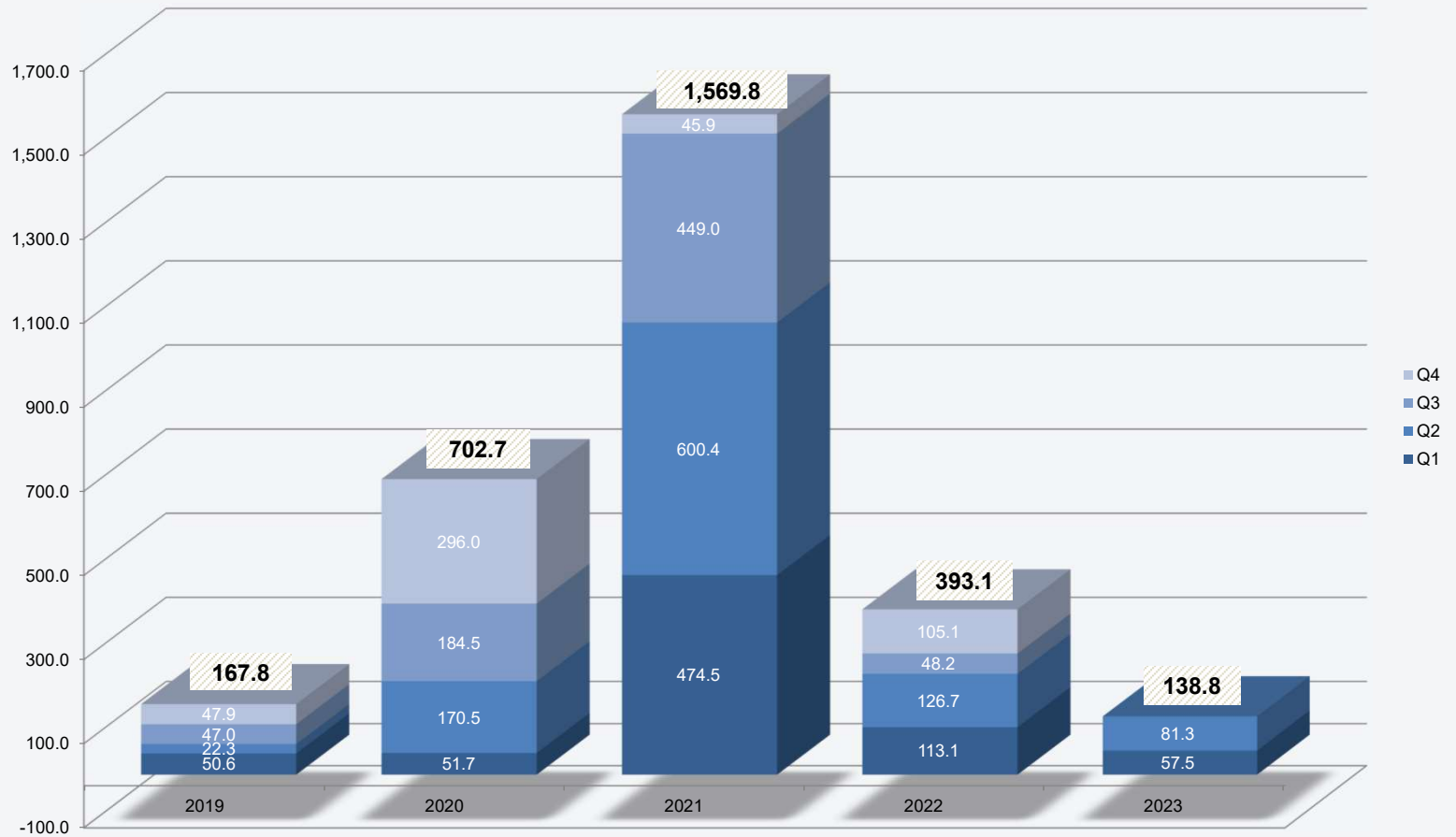


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FINANCIAL HIGHLIGHTS (1H2023 unaudited)

Operating Cash Flow (RM'million)



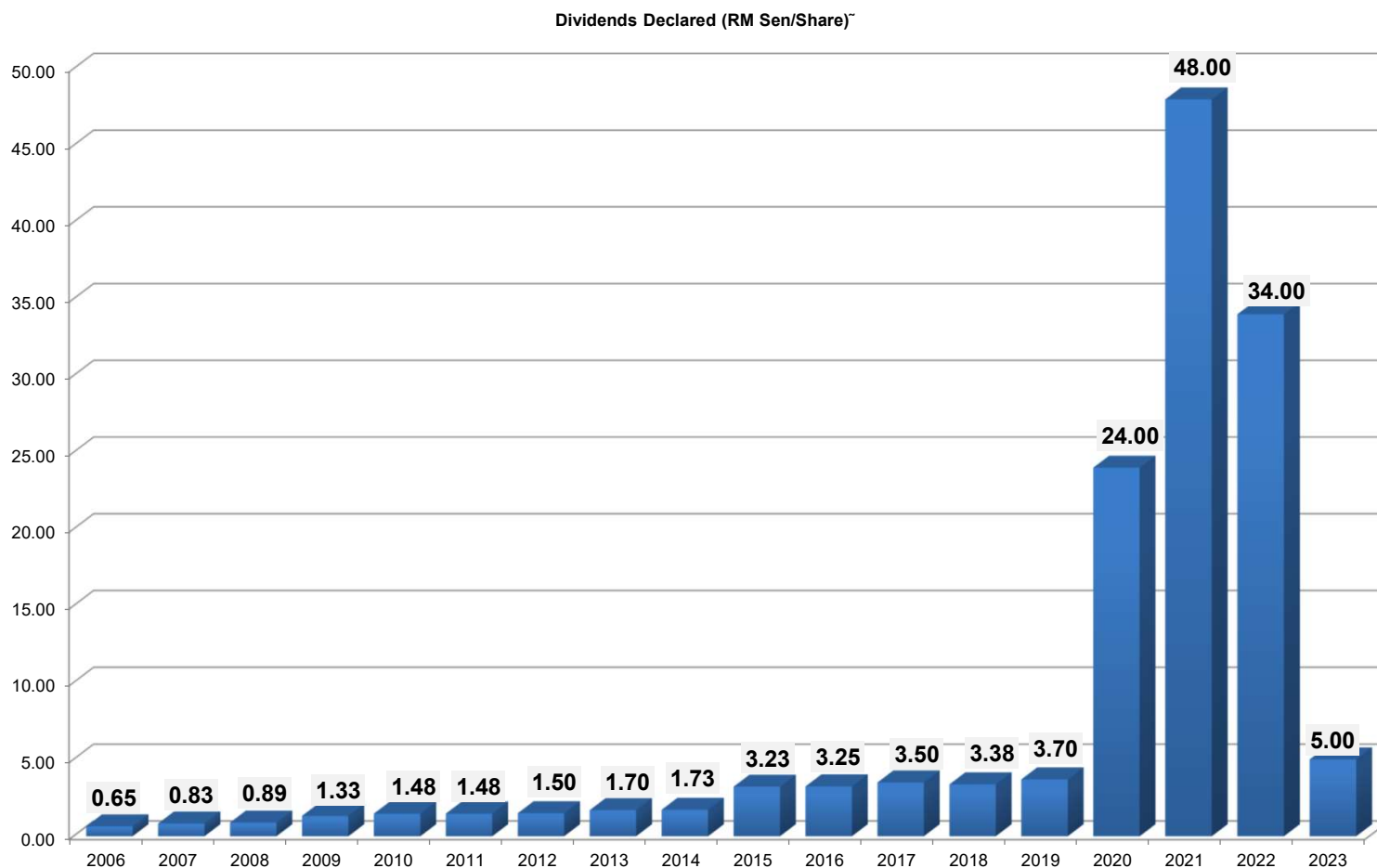
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FINANCIAL HIGHLIGHTS (1H2023 unaudited)

Consistent Dividend since IPO

Dividend Payout Ratio	
1H2023	79.2%
FY2022	160.3%
FY2021	50.2%
FY2020	55.0%
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%





ADVANTAGES & OPPORTUNITIES

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 to entry for cleanroom
gloves



INVESTMENT MERITS

RESILIENT BALANCE SHEET AT ALL TIMES SINCE 2006

- 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 led by a chemist with 31+ years of experience

FLEXIBLE PRODUCTION FACILITIES

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

ESG FOCUS

- Committed to a sustainable future and ESG improvement

Challenges



Competition from newcomers & Chinese manufacturers



Increase in gas, utility and labour cost

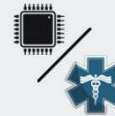


Overcapacity of medical gloves in industry



Macroeconomic headwinds such as price competition, inflation, and rising costs

Solutions



Diversified into 2 sources (Cleanroom & Medical)



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



Cost management (Product streamlining)



Financially healthy and continuing R&D efforts

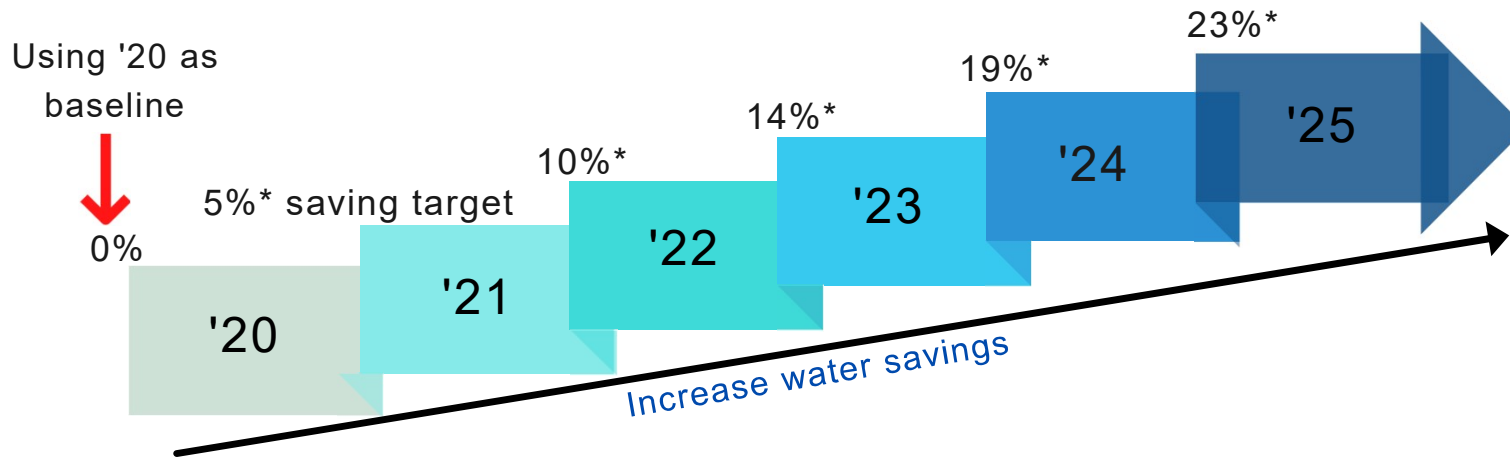


Riverstone Holdings Ltd

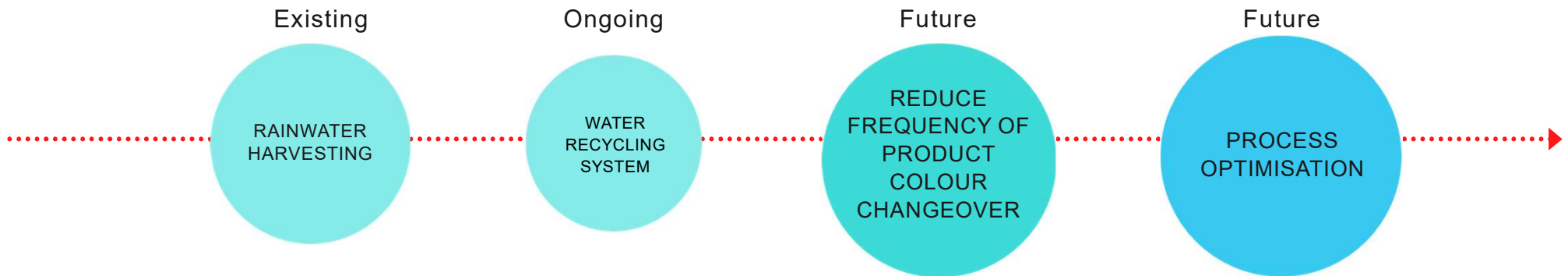
ESG presentation 2023



REDUCE WATER USAGE



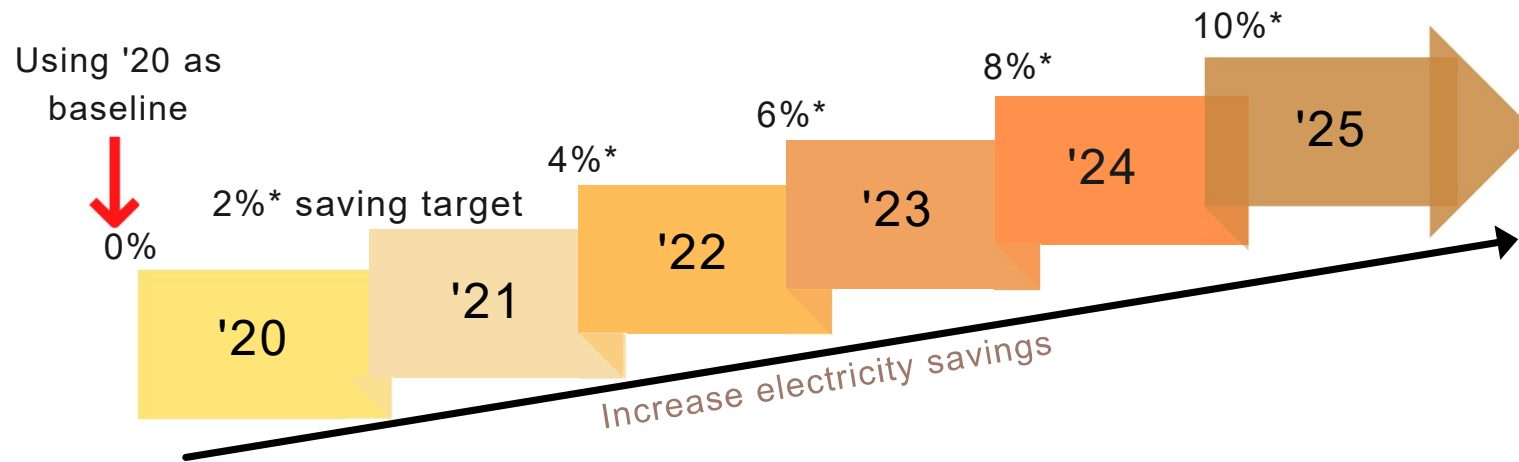
*All % water savings are calculated by using '20 as the baseline.



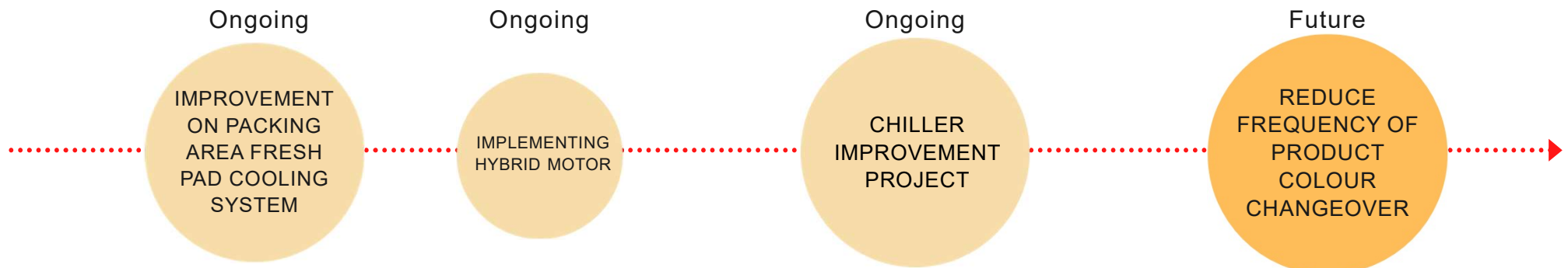
• Reduce water withdrawal

• Reduce water consumption

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"

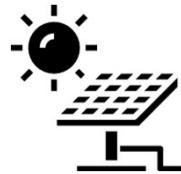
Reduced Product Colour Options = Fewer Changeovers = Waste is Minimised



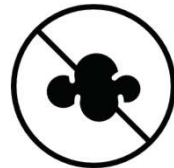
Objective: Sales team to encourage customers to reduce glove colour options.

SUSTAINABLE ENERGY WITH EMISSION REDUCTION

Solar panel



- Aims to generate 600,000 kWh electricity from solar energy annually.



- Reduces greenhouse gas emission by approximately 516.30 tCO₂/year.

Biomass



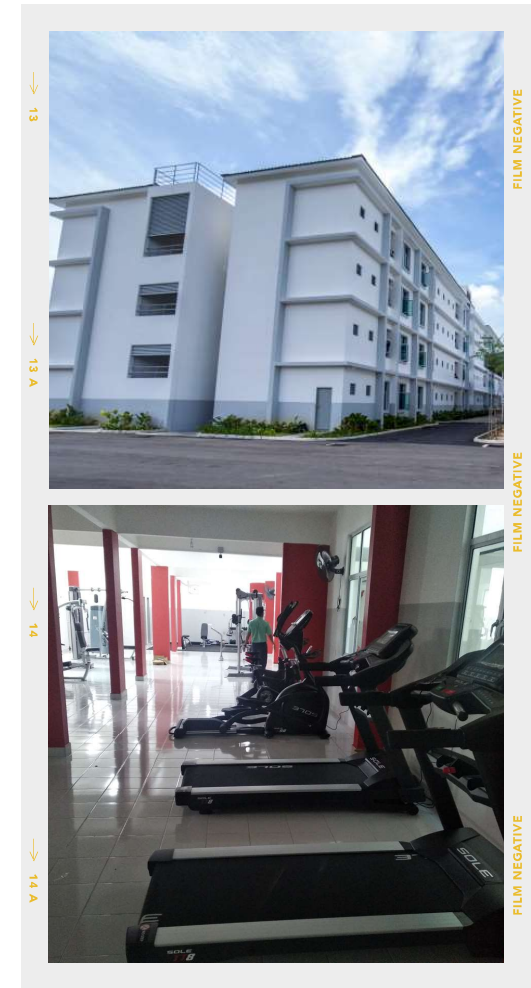
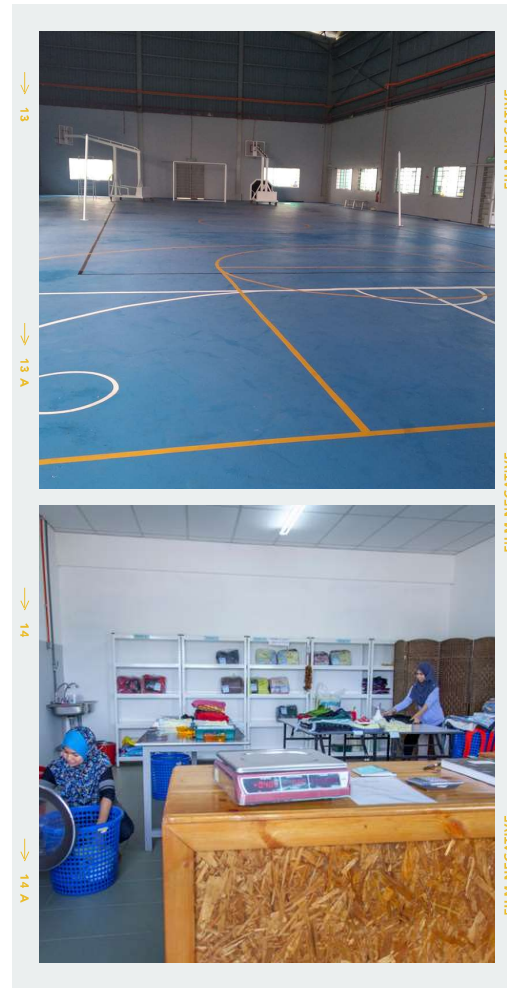
- Biomass is a renewable energy source from byproducts (sawdust, wood chips & palm kernels).



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

- Provides fair and competitive remuneration with comprehensive benefits to our employees
- Periodically rewards employees with incentives on top of annual increment and bonus
- Provides all employee with insurance and medical benefits



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.



Education Aid


- Annual budget allocated to provide our employees' children with payment assistance when school reopens.





CORPORATE GOVERNANCE

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

- 1 BOARD STRUCTURE** 
 - Comprises 3 independent directors and 2 executive directors (2 alternate 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 Financial Reporting** 
 - Consistently publish quarterly business update voluntarily despite SGX relaxation rule for PLCs to only report half-yearly results since Feb '20.
 - change to voluntary disclosure of quarterly financial results effective from Nov '22.

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



Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition
Advancing Sustainability Globally



THANK YOU