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PRESS RELEASE

Top Glove Corporation Bhd (Company No. 474423-X)

For Immediate Release

GOOD SALES VOLUME GROWTH AMIDST CHALLENGING ENVIRONMENT

Top Glove delivers consistent Sales Volume growth in 2nd quarter FY2019

Shah Alam, Friday, 22 March 2019 Top Glove Corporation Bhd (Top Glove) today announced its financial results for the Second Quarter ended 28 February 2019 (2QFY19), delivering commendable Sales Volume (quantity sold) growth of 18% in 1HFY19, despite a challenging environment and a “softer” quarter with shorter work months.

For 1HFY19, Top Glove achieved Sales Revenue of RM2.42 billion, a 27.7% increase from 1HFY18 and which at the half year mark, already represents 57.5% of the total Sales Revenue for FY18. The strong numbers were attributed to robust Sales Volume, which was 18% higher compared with the corresponding period in the previous financial year. The Group’s 1HFY19 EBIT (Earnings Before Interest and Tax) also increased 22.6% year-on-year, owing to a higher Sales Volume and better operational efficiency. Profit Before Tax was also up by 8.4% while Profit After Tax was higher by 1.1% versus 1HFY18.

For 2QFY19, Top Glove achieved Sales Revenue of RM1.16 billion, a 21% increase compared with 2QFY18. This was attributed to strong Sales Volume growth of 16% which is higher than the projected global demand of about 10% a year, as well as a higher average selling price (ASP). The Group’s EBIT also improved by 14.2% year-on-year owing to the increase in quantity sold, as well as quality and operational efficiency enhancements. Meanwhile, Profit Before Tax came in at RM125.5 million, slightly higher than the corresponding quarter in FY18 and Profit After Tax was RM106.7 million. Income tax expense was higher due to a reduction in tax allowance, following the expiry of the 3-year special reinvestment allowance in calendar year 2018 and the provision of deferred tax liabilities in the current quarter (as compared with FY18, where deferred tax liabilities were only provided for in 4QFY18).

Raw material prices for 2QFY19 remained mixed year on year, with the average price for natural rubber latex lower by 17.7% at RM3.62/kg, while the average nitrile latex price increased 1.9% to USD1.08/kg. Meanwhile, raw material prices were in decline compared with 1QFY19, with average natural rubber latex and nitrile latex prices easing by 4.2% and 14.3% respectively.

Tan Sri Dr Lim Wee Chai, Top Glove Corporation Bhd's Executive Chairman said, "We are pleased to have delivered strong results with robust Sales Volume growth, despite a challenging and competitive operating environment. Our good performance speaks to the effectiveness of our ongoing quality and efficiency enhancement programs."

Top Glove will continue to expand its operations in line with the growing glove demand globally. In progress is the expansion of several existing facilities and the construction of new facilities, as follows:

| Top Glove's Expansion Plans | | | | |
|---|---------------------------------------|------------------------------|-----------------------------------|---------------------------------|
| Country | Manufacturing | Operational by | Number of production lines | Capacity (pcs per annum) |
| Existing factory expansion | | | | |
| Malaysia | F32 1 st Phase | 2 nd quarter 2019 | 22 lines | 2.2 bn |
| | F32 2 nd Phase | 3 rd quarter 2019 | 12 lines | 1.2 bn |
| | F33 New Block | 2 nd quarter 2019 | 12 lines | 1.2 bn |
| | F2B Refurbishment | 4 th quarter 2019 | 4 lines | 0.8 bn |
| | F5A New Block | 4 th quarter 2019 | 20 lines | 2.0 bn |
| Construction of new factories | | | | |
| Malaysia | F40 New Factory 1 st Phase | 4 th quarter 2019 | 22 lines | 2.2 bn |
| | F40 New Factory 2 nd Phase | 1 st quarter 2020 | 8 lines | 0.8 bn |
| | F42 1 st Phase | 4 th quarter 2020 | 48 lines | 4.8 bn |
| Vietnam | F41 New Factory 1 st Phase | 2 nd quarter 2020 | 20 lines | 2.0 bn |
| Thailand | F8A New Factory 1 st Phase | 3 rd quarter 2020 | 32 lines | 3.2 bn |
| Additional lines and capacity from expansion: | | | 200 lines | 20.4 bn |
| Total by December 2020: | | | 848 lines | 80.9 bn |

These will boost the Group's total number of production lines by an additional 200 lines and production capacity by 20.4 billion gloves per annum. By December 2020, Top Glove is projected to have a total of 848 production lines and a production capacity of 80.9 billion gloves per annum.

On 1 March 2019, the Group successfully completed an issuance of Exchangeable Bonds in the amount of USD200 million. The purpose of the bonds was to retire existing borrowings and will benefit the company in terms of lower interest cost, as well as improve cashflow. As a result of this exercise, the Group expects to gain about RM16 million per annum in cash savings and RM2 million in interest expenses.

Top Glove will continue to embark on initiatives to improve the operations of Aspion, particularly in terms of production efficiency. Top Glove is also leveraging Aspion's existing capabilities and well established name in surgical gloves to further grow its market share in this segment. This will enable Top Glove to diversify its existing product range, thereby obtaining a competitive edge over other major glove manufacturers.

Going forward, Top Glove envisages a highly challenging business environment both on the domestic front and macro economic level. However, the Group remains positive on industry outlook. Gloves are an essential item in the medical sector, the demand for which has proven to be relatively resilient to economic and political uncertainty and is set to grow more than 10% a year.

Tan Sri Dr Lim commented, “We have done well in 2QFY19 despite the challenging business environment and aim to do even better over the course of the financial year. We view the challenges ahead positively and they will serve as a springboard for greater success, inspiring us to work harder, smarter, faster and more creatively”.

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About Top Glove Corporation Bhd

Top Glove Corporation Bhd is listed on the Bursa Malaysia Stock Exchange Main Board and Singapore Exchange Mainboard. It is also one of the component stocks of the MSCI Global Standard Index, FTSE Bursa Malaysia KLCI Index, FBM Top 100 Index, FBM Emas Index, FBM Emas Syariah Index, and FTSE4Good Bursa Malaysia Index. Top Glove is currently the world's largest manufacturer of gloves with an established corporate culture and good business direction of producing consistently high quality, cost efficient gloves. Top Glove has over 2,000 customers worldwide and exports to more than 195 countries.

Summary of key information:

| | As at 22 March 2019 |
|----------------------------------|--|
| Number of Factories | 40 factories (35 in Malaysia, 4 in Thailand, 1 in China) comprising: <ul style="list-style-type: none">• 32 glove factories• 2 latex concentrate plants• 2 chemical factories• 1 glove former factory• 1 packaging factory• 1 dental dam factory• 1 condom factory |
| Number of Marketing Offices | 6 (Malaysia, USA, Germany, Brazil, China and Thailand) |
| Number of Glove Production Lines | 648 |
| Glove Production Capacity | 60.5 billion pieces per annum |
| Number of Employees | 18,000 |