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PRESS RELEASE

Top Glove Corporation Bhd (Company No. 199801018294 [474423-X])

For Immediate Release

TOP GLOVE DELIVERS A REMARKABLE AND HEALTHY FINANCIAL PERFORMANCE

IN 2QFY2021

Profit achieved for 1st half of FY2021 exceeds Group's total profit for past 20 years

Shah Alam, Tuesday, 9 March 2021 Top Glove Corporation Bhd (Top Glove) today announced its financial results for the Second Quarter or 2QFY21 (from 1 December 2020 to 28 February 2021), delivering another excellent quarter as global glove demand continued to soar.

Healthy Financial Performance: For 2QFY21, the Group achieved its highest ever quarterly Sales Revenue of RM5.37 billion, an increase of 336% compared with 2QFY2020, and 13% quarter on quarter. Profit After Tax came in at close to RM2.9 billion, 24 times higher versus the corresponding period in FY2020. Sales Volume (Quantity Sold) was also on the uptrend, rising by 19% year-on-year, while easing 8% quarter-on-quarter due to temporary stoppages in production at the Meru, Klang factories in November and December 2020.

In line with its commitment to create value for its approximately 120,000 public shareholders, Top Glove will be commencing payment of Special Dividends in 2QFY21, which the Board has committed to paying from 2QFY21 to 4QFY21. The dividend payment comprises a special dividend payout of 20% plus 50% as per the Company's dividend policy, totalling a 70% dividend payout. This amounts to 25.2 sen per share. The ex date for the dividend is 23 March 2021, while the payment date is 6 April 2021. The total dividend declared for 1HFY2021 of 41.7 sen per share, represents a 253% increase from the full year dividend for FY2020 of 11.8 sen per share.

The Group's financial performance for 1HFY21 was robust. Sales Revenue amounted to RM10.12 billion, a jump of 315% over 1HFY2020. Meanwhile, Profit After Tax registered at RM5.29 billion, surging 2,220% or 22 times compared with 1HFY2020. As at 28 February 2021, the Group was in a net cash position of RM4.06 billion.

The Group's strong and healthy Sales figures were attributed to the continued demand for gloves globally and Top Glove is pleased to provide gloves to protect healthcare workers all over the world, who are on the frontlines of combating the pandemic. Meanwhile, the improved Profit came on the back

of higher sales output, high utilisation levels which amplified production efficiency, coupled with higher average selling prices (ASPs) in line with market pricing. The Group's remarkable and healthy profit was also attributed to ongoing enhancements across its operations, through digital transformation, continuous R&D and innovation, quality and productivity initiatives and talent acquisition and development.

In 2QFY21, natural latex concentrate registered a 35% increase to an average of RM5.97/kg and nitrile latex went up 114% to an average of USD2.14/kg year-on-year, following shortages in supply. However, average prices for nitrile latex have been on the downtrend since the start of 2021, easing by 5% from January 2021 to March 2021, as supply normalises.

Expansion Plans: Global glove demand is estimated to grow from a pre-pandemic level of about 10% per annum to about 15% per annum post-pandemic, following an increase in usage coupled with heightened hygiene awareness. To ensure it remains well-positioned to meet the continued strong global glove demand, the Group will continue to pursue organic expansion, inorganic expansion and strategic investments. To this end, the Group has earmarked RM10 billion for CAPEX over the next 5 years from FY2021 to FY2025, which will increase its current production capacity by about 100 billion pieces of gloves to a total production capacity of over 200 billion pieces of gloves. Its organic expansion plans for 2021 to 2024 are as below:

To commence production by Calendar Quarter	Country	Glove Type	Number of production lines	Capacity, pcs per annum
			1 Double Former (DF) Line = 2 Equivalent Single Former (SF) Lines	
Current: 36 glove factories		All	765 Equivalent Single Former Lines	93 bn
2021 1 st Quarter (Jan'21 to Mar'21)	Malaysia	Nitrile / Latex	8 DF lines + 3 SF line	2.8 bn
	Thailand		14 DF lines	4.2 bn
2021 2 nd Quarter (Apr'21 to Jun'21)	Malaysia	Nitrile / Latex	20 DF lines	6.0 bn
		Surgical	2 DF lines	0.6 bn
	China	PVC	2 DF lines	0.6 bn
2021 3 rd Quarter (Jul'21 to Sep'21)	Malaysia	Nitrile / Latex	3 DF lines	1.0 bn
	Vietnam	PVC	10 DF lines	2.8 bn
Total new capacity in Calendar Year 2021			59 DF lines + 3 SF lines	18 bn (+19%)
Grand total by 31 December 2021 : 39 glove factories			886 Equivalent Single Former Lines	111 bn
2022 1 st Quarter (Jan'22 to Mar'22)	Malaysia	Nitrile / Latex	52 DF lines	15.6 bn
2022 2 nd Quarter (Apr'22 to Jun'22)	Malaysia	Nitrile / Latex	28 DF lines	8.4 bn
	Thailand		14 DF lines	4.2 bn
2022 3 rd Quarter (Jul'22 to Sep'22)	Vietnam	PVC	10 DF lines	2.6 bn
2022 4 th Quarter (Oct'22 to Dec'22)	Malaysia	Nitrile / Latex	14 DF lines	4.2 bn
Total new capacity in Calendar Year 2022			118 DF lines	35 bn (+32%)
Grand total by 31 December 2022 : 43 glove factories			1,122 Equivalent Single Former Lines	146 bn

2023 1 st Quarter (Jan'23 to Mar'23)	Malaysia	Nitrile / Latex	12 DF lines	3.7 bn
2023 2 nd Quarter (Apr'23 to Jun'23)	Malaysia	Nitrile / Latex	7 DF lines	2.1 bn
2023 3 rd Quarter (Jul'23 to Sep'23)	Malaysia	Nitrile / Latex	52 DF lines	15.6 bn
		Surgical	4 DF lines	1.2 bn
2023 4 th quarter (Oct'23 to Dec'23)	Vietnam	PVC	10 DF lines	2.7 bn
	Malaysia	Nitrile / Latex	12 DF lines	3.7 bn
Total new capacity in Calendar Year 2023			97 DF lines	29 bn (+20%)
Grand total by 31 December 2023 : 44 glove factories			1,316 Equivalent Single Former Lines	175 bn
2024 1 st quarter (Jan'24 to Mar'24)	Malaysia	Nitrile / Latex	14 DF lines	4.4 bn
	Thailand		30 DF lines	9.2 bn
2024 2 nd quarter (Apr'24 to Jun'24)	Malaysia	Nitrile / Latex	7 DF lines	2.2 bn
2024 3 rd quarter (Jul'24 to Sep'24)	Malaysia	Nitrile / Latex	24 DF lines	7.4 bn
2024 4 th quarter (Oct'24 to Dec'24)	Vietnam	PVC	10 DF lines	3.1 bn
	Malaysia	Nitrile / Latex	12 DF lines	3.7 bn
Total new capacity in Calendar Year 2024			97 DF lines	30 bn (+17%)
Grand total by 31 December 2024 : 47 glove factories			1,510 Equivalent Single Former Lines	205 bn

Creating Jobs: In light of its steady expansion plans, the Group is well-positioned to provide gainful employment to Malaysians, thereby helping to narrow the country's unemployment gap. In January 2021, the Group launched a recruitment drive offering some 9,000 vacancies, a 30% increase from its 7,000 new hires in 2020. The Group will also continue to further automate and digitalise its operations, creating the need for more suitably skilled Malaysian talents, in particular TVET graduates. The Group, which currently has a 1:4 staff to worker ratio, aims to bring this to a 1:1 staff to worker ratio by FY2025, resulting from digital transformation.

Commenting on the Company's results, Dato' Lee Kim Meow, Managing Director of Top Glove said, "We are very pleased to have once again delivered a strong performance in this second quarter. It is not easy to do well consistently in a highly challenging environment and the committed Top Glove team has managed the difficulties admirably, continuing to give their best while maintaining a positive attitude. Their hard work has enabled us to fulfil the growing demand from our global customers and facilitate the uninterrupted delivery of our life-saving gloves to those in need."

"Our unprecedented performance also speaks to the effectiveness of our ongoing technology driven improvement initiatives, which focus on quality and cost efficiency, and have enabled us to meet the increase in glove demand efficiently and effectively."

Top Glove is pleased that vaccines are available and remains hopeful that they will be a catalyst for post pandemic economic recovery. However, even with vaccines, the Group is confident that global glove demand will remain robust. While demand is likely to stabilise post pandemic, the Group expects it will

not revert to pre pandemic levels owing to increased hygiene awareness as well as uncertainties surrounding the resolution of the COVID 19 pandemic. Moreover, having gone through this pandemic, governments are expected to continue stockpiling on gloves and other personal protective equipment (PPE) in preparation for possible future pandemics.

MARC Upgrade: Top Glove's corporate credit rating was also upgraded by Malaysian Rating Corporation Berhad (MARC) from AA in 2020 to AA+ in 2021. The improved rating of AA+ represents the 2nd highest rating to be awarded to a corporate and is 1 notch away from the highest attainable rating of AAA in Malaysia. The AA+ rating is also the highest corporate credit rating assigned to a Malaysian manufacturing company to date. The upgrade follows a significant increase in Top Glove's revenue and cash flows on the back of the Company's unprecedented financial performance.

Top Glove also ranked the 2nd highest among Malaysian patent applicants for the year 2020 alongside several established universities, institutions, and corporations. This recognition from the Intellectual Property Corporation of Malaysia (MyIPO) under the Ministry of Domestic Trade and Consumer Affairs, is a testament to Top Glove's commitment towards continuous innovation and breakthrough.

HKEX Listing: In another development, Top Glove on 26 February 2021, applied for a Dual Primary Listing on the Main Board of The Stock Exchange of Hong Kong ("HKEX"), while maintaining its existing primary listing on the Main Market of Bursa Securities Malaysia and its existing secondary listing on the Main Board of Singapore Exchange Securities Trading Limited. The listing is expected to broaden and enhance the Company's investor reach and base; to strengthen trading liquidity of its shares; and to provide financing flexibility for future fundraising towards business growth, geographic expansion and strategic investments and acquisitions. A Dual Primary Listing in Hong Kong will also create an additional platform on which the Company's shares can be traded via another established stock exchange. A portion of the net proceeds raised from the proposed Dual Primary Listing will be invested in Top Glove's Environmental, Social and Corporate Governance (ESG) practices and initiatives.

ESG Initiatives & Achievements: Top Glove continues to enhance its ESG initiatives with a view to forging a more sustainable future for people, planet and progress. Amongst these, it has invested in renewable energy to reduce carbon emissions with the installation of solar power systems at our factories, the rollout for which commenced in September 2019. Top Glove also received recognition for achievements in environmental stewardship, garnering an award for Notable Achievement in Environmental Performance at the Prime Minister's Hibiscus Award in February 2021.

Top Glove will also continue to dedicate resources to improving worker welfare. Towards ensuring it is a model of best practices within the glove industry, it has taken significant steps to improve and implement detailed plans in 5 key areas, namely:

- a) fair practices in the recruitment of foreign workers;
- b) continuous improvement of workers' accommodation;
- c) fair working hours and wages for workers;
- d) the continued safety and health of its workforce; and
- e) implementing more stringent COVID19 preventive measures.

Impactt, an independent consultant, has also confirmed that there is no element of systemic forced labour in Top Glove. More information on these initiatives is available at: <https://www.topglove.com/continuous-improvement-report/>

Additionally, Top Glove has also maintained its inclusion on the **FTSE4Good Index** as well as the **Dow Jones Sustainability Indices (DJSI)** under the Emerging Markets category, and will continue to make good on its commitment to continuously elevate its practices in the ESG space.

Outlook: The challenging and competitive landscape notwithstanding, the Group maintains an optimistic outlook on prospects.

Dato' Lee observed, "The Board of Directors is pleased with the company's continued strong performance and the multiple remedial and improvement initiatives the group has implemented towards uplifting employee welfare. In both these instances, this is just the beginning for us and we aspire to do much more. We will keep putting every effort into continually improving our performance in terms of financial results, as well as levelling up our sustainability practices so they are on par with international standards."

"We believe that as we continue to strive for betterment in all we do and remain healthy, we will be well positioned to deliver a commendable performance all round in a sustainable way", Dato' Lee concluded.

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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 Hijrah Syariah Index, FBM Emas Syariah Index, FTSE4Good Bursa Malaysia Index and the Dow Jones Sustainability Indices (DJSI) for Emerging Markets. 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 9 March 2021
Number of Factories	47 factories (41 in Malaysia, 4 in Thailand, 1 in China and 1 in Vietnam) comprising: <ul style="list-style-type: none">• 36 glove factories• 2 latex concentrate plants• 3 chemical factories• 1 glove former factory• 2 packaging material factories• 1 dental dam factory• 1 condom factory• 1 face mask factory
Number of Marketing Offices	7 (Malaysia, USA, Germany, Brazil, China, Thailand and Vietnam)
Number of Glove Production Lines	765
Glove Production Capacity	93 billion pieces per annum
Number of Employees	21,000