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PRESS RELEASE

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

For Immediate Release

A STRONG AND HEALTHY START TO FY2021 FOR TOP GLOVE

Gloving people and protecting lives across the globe

Shah Alam, Wednesday, 9 December 2020 Top Glove Corporation Bhd (Top Glove) today announced its financial results for the First Quarter or 1QFY21 (from 1 September to 30 November 2020), delivering a robust performance underpinned by continued strong global glove demand.

For 1QFY21, the Group achieved Sales Revenue of RM4.8 billion, up 294% compared with 1QFY2020, and 53% quarter-on-quarter. Profit After Tax Attributable to Owners of the Parent (Profit) surged by 20 times to RM2.4 billion versus the corresponding period in FY2020, and doubled against 4QFY2020. Meanwhile, Sales Volume (Quantity Sold) improved by a healthy 34% from 1QFY2020.

The Group's robust Sales figures were attributed to the strong demand for gloves in both developing and emerging markets, owing to the ongoing global pandemic. The improved Profit came on the back of higher sales output, high utilisation levels which amplified production efficiency, as well as higher average selling prices (ASPs) in line with market pricing. Moreover, ongoing technological advancements towards automation and digitalisation initiatives, effective talent development, as well as continuous innovation, quality and productivity enhancements which the Group continued to embark on, also contributed to the improved bottomline.

The uptrend in raw material prices continued, as natural latex concentrate increased 13% to an average of RM5.14/kg and nitrile latex jumped 39% to an average of USD1.31/kg quarter-on-quarter, driven by less favourable weather conditions and supply constraints, against a backdrop of increased glove demand.

In line with strong global glove demand which is estimated to grow from a pre-pandemic level of about 10% per annum, to about 15% per annum post-pandemic following increase in usage coupled with heightened hygiene awareness, the Group will continue to pursue organic expansion, inorganic expansion and strategic investments. The Group has earmarked RM10 billion for CAPEX over the next 5 years from FY2021 to FY2025, which will increase capacity by an additional 100 billion pieces of gloves and its organic expansion plans are as below:

Factories	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	750 Equivalent Single Former Lines		90 bn
F40 2 nd Phase	1st qtr 2021	Klang, Malaysia	Nitrile	8 DF lines		2.4 bn
F8A 1 st Phase NEW FACTORY	1st qtr 2021	Sadao, Thailand	Nitrile	14 DF lines		4.2 bn
F35 Block A NEW FACTORY	1st qtr 2021	Klang, Malaysia	Surgical/Nitrile	6 DF lines		1.8 bn
F36 Lines Refurbishment	1st qtr 2021	Kota Bharu, Malaysia	Surgical/Latex	3 SF lines		0.5 bn
F15 New Lines	2nd qtr 2021	Xing Hua, China	PVC	2 DF lines		0.6 bn
F38 Block A2 1 st Phase NEW FACTORY	2nd qtr 2021	Kulim, Malaysia	Nitrile	8 DF lines		2.4 bn
F31 Block C New Lines	2nd qtr 2021	Klang, Malaysia	Nitrile	7 DF lines		2.1 bn
F37 Block A New Lines	3rd qtr 2021	Kluang, Malaysia	Nitrile	4 DF lines		1.2 bn
F41 1 st Phase Block 2	3rd qtr 2021	Binh Duong, Vietnam	PVC	10 DF lines		2.8 bn
Total new capacity in CY2021				59 DF lines + 3 SF lines		18 bn (+20%)
Grand total by December 2021 : 39 glove factories				871 Equivalent Single Former Lines		108 bn
F38 Block A2 2 nd Phase	1st qtr 2022	Kulim, Malaysia	Nitrile	4 DF lines		1.2 bn
F42 1 st Phase Block 1 NEW FACTORY	1st qtr 2022	Banting, Malaysia	Nitrile	12 DF lines		3.6 bn
F45 1 st Phase NEW FACTORY	1st qtr 2022	Ipoh, Malaysia	Nitrile	16 DF lines		4.8 bn
F37 Block D New Lines	2nd qtr 2022	Kluang, Malaysia	Nitrile	3 DF lines		0.9 bn
F46 NEW FACTORY	2nd qtr 2022	Klang, Malaysia	Nitrile	13 DF lines		3.9 bn
F8A 2nd Phase	2nd qtr 2022	Sadao, Thailand	Nitrile/Latex	14 DF lines		4.0 bn
F41 2nd Phase Block 3	3rd qtr 2022	Binh Duong, Vietnam	PVC	10 DF lines		2.6 bn
Total new capacity in CY2022				72 DF lines		21 bn (+19.4%)
Grand total by December 2023 : 42 glove factories				1,015 Equivalent Single Former Lines		129 bn

The Company has implemented COVID-19 preventive SOPs since the start of the pandemic and these continue to be adhered to on a stringent basis and strengthened as required, towards ensuring the safety, health and well-being of its employees.

In the meantime, the Company continues to actively engage with the U.S. Customs Border and Protection towards the expeditious upliftment of the Withhold Release Order (WRO), for which it is making good progress.

Commenting on the Company's results, Dato' Lee Kim Meow, Managing Director of Top Glove said, "We have performed well this quarter and much of the credit must go to our dedicated workforce of 21,000 who have worked very hard, smart and fast to ensure our gloves reach those who need it the most, despite several operational challenges".

"We are humbled to have a crucial role in helping protect and save lives in Malaysia and all over the world with our gloves. It saddens us that some of our employees have also been affected by COVID-19. Every effort has been extended to provide our people with a safe and healthy operating environment. We reiterate our commitment to continue making the necessary improvements towards ensuring the continued safety, health and well-being of our employees, which is our top priority", Dato' Lee added.

Top Glove believes in doing well so it can continue to do good. As a growing business, the Company has provided employment to around 6,600 personnel comprising 4,945 new and experienced hires, as well as 1,655 interns/trainees over the past 1 year, thereby contributing to overcoming unemployment within the country. This also includes 3,080 local workers for its manufacturing operations towards reducing dependency on foreign labour.

Further adding value to the community, Top Glove has invested around RM55 million towards improving the local community well-being and infrastructure in Klang, Selangor where many of its factories are located. These include performing repair and maintenance works for roads and drainage; and implementing flood mitigation plans extending to assistance with automating the previously manual control of the water gate (the outflow of water into the sea during high/low tide); desludging and clearing work; and *gotong-royong* (communal) activities with the local community. The company also employs about 205 auxiliary police (Polis Bantuan) and security personnel who assist with patrolling within the vicinity, in addition to installing CCTVs at the hostels and surrounding areas for the safety of our employees and the community.

Efforts to source for more worker accommodation and to improve existing accommodation have been ongoing in consideration of the large number of workers, for which the Group has already invested RM70 million. In addition, the Group has spent some RM20 million on purchasing 100 units of apartments over the past two months and is also renting more houses for its workers. In the mid-term, the Group has earmarked approximately RM100 million to be invested in workers' facilities and accommodation, which includes building mega hostels in Selangor (Klang and Banting) with a combined capacity of 7,300 pax and are fully equipped with a suite of amenities and facilities. The CAPEX for the new mega hostels is around RM70 million and the hostels are expected to be ready by 2022. The Group is also building and acquiring additional houses, apartments and hostels in other states where it has operations.

Top Glove remains hopeful of an effective vaccine to address the dire situation and is encouraged by reports of developments and progress made in recent days. However, even with a vaccine, gloves will still be needed for testing and administering the vaccine. Pre-pandemic, global glove demand was already growing about 10% and is expected to continue to grow steadily driven by strong market fundamentals across all geographies. While demand will stabilise post-pandemic, it will not revert to pre-pandemic levels owing to increased hygiene awareness.

Keeping to its firm commitment to reward its approximately 100,000 public shareholders, Top Glove has commenced quarterly dividend payments for FY2021, with a higher dividend payment incorporating a special dividend of 6%, where the total dividend per share of 16.5 sen for this quarter 1QFY2021 far exceeds the full year dividend for FY2020. The dividend ex-date is 24 December 2020 and it is payable on 11 January 2021. The total dividend payout ratio of 56% of the Profit which exceeds its established dividend payout policy of 50% includes the 6% special dividend in light of the Group's extra good performance and in appreciation of its shareholders' support.

As at 30 November 2020, the Group was in a net cash position of RM3.45 billion.

A glowing testament to the Company's good practices in the Economic, Environmental, Social and Governance (EESG) space, Top Glove has been listed on the **Dow Jones Sustainability Indices (DJSI)** under the Emerging Markets category for the 2nd year running. This year, it is the only Malaysian company to be listed on the 2020 DJSI, ranking 13th out of a total of 73 healthcare companies across all DJSI indices, outperforming 83% of its industry peers. Top Glove was also honoured at the prestigious **The Edge Billion Ringgit Club Awards Malaysia**, where we received an award for *Highest Return to Shareholders Over Three (3) Years* under the category of *Super Big Cap Companies* (above RM40 billion).

The challenging and competitive landscape notwithstanding, the Company maintains an optimistic outlook on prospects. With the pandemic, Top Glove estimates that glove demand will keep growing, by 20% per annum in 2020, 25% per annum in 2021 and 15% per annum post-pandemic. The steady increase in sales orders from its loyal customers in 195 countries across the world, alongside capacity building plans and technology-driven quality, productivity and efficiency improvements, bode well for the Group's performance going forward.

Dato' Lee observed, "We have had a strong and healthy start to FY2021, which sets a positive tone for the rest of the year. The Board of Directors is proud of the results we have achieved. Having a good set of numbers is important but we also want to positively impact the well-being of the employees and community around us. Employee health, safety and well-being is at the heart of much of what we do, but we are mindful there is much more to be done to uplift the standard of our employee welfare and promise to rectify shortcomings immediately. We recognise the need for us to continue improving and to comply with international standards in terms of employee welfare, which we aspire to achieve. We seek our stakeholders' kind understanding and support while we continue to enhance employee well-being."

"Challenges and making improvements are part of doing business. We are confident that as long as we continue to work together as a team and stay healthy, we will be able to learn from these challenges, do better and emerge stronger", 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 December 2020
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	750
Glove Production Capacity	90 billion pieces per annum
Number of Employees	21,000



TOP GLOVE CORPORATION BHD.

Company No.: 199801018294 (474423-X)

The World's Largest Manufacturer of Gloves

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9 December 2020

SUMMARY OF CURRENT & HISTORICAL PERFORMANCE

CURRENT

Financial results for the First Quarter Ended 30 November 2020

- 1) Strong and healthy balance sheet
- 2) On-going expansion plans

HISTORICAL TREND

- 3) Compounded annual growth rate in revenue of 28% for past 21 years
- 4) Compounded annual growth rate in net profit of 38% for past 21 years
- 5) Financial results of the Group since year 2008
- 6) Dividends

CURRENT:

Financial results for the First Quarter Ended 30 November 2020

1) Strong and healthy balance sheet:

	As at 30 November 2020 (RM'million)	As at 30 November 2019 (RM'million)	Variance (%)
Total cash and short term investments	3,888.4	274.5	1,317
Total borrowings	433.9	2,496.9	(83)
Net cash and short term investments / (borrowings)	3,454.5	(2,222.4)	255
Net cash flow from operating activities	3,156.6	97.6	3,134
Total assets	10,255.6	5,841.4	76
Total equity	6,874.2	2,582.1	166
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.69	0.34	103

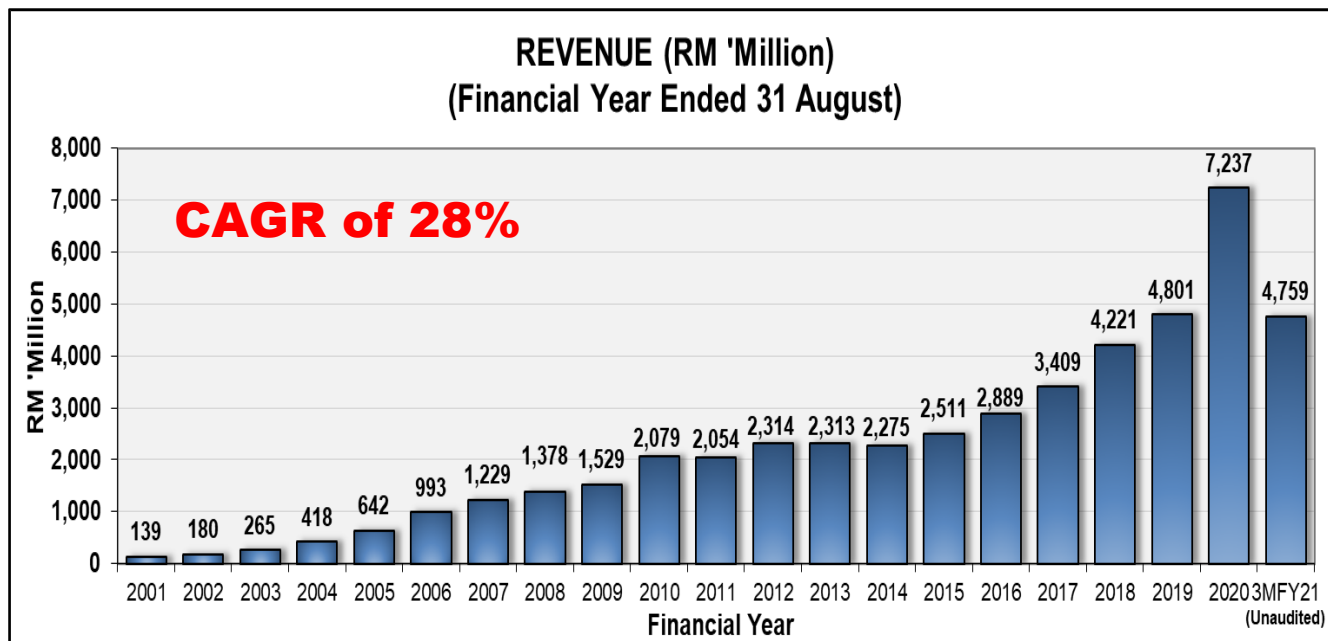
2) Ongoing expansion plans:

Glove

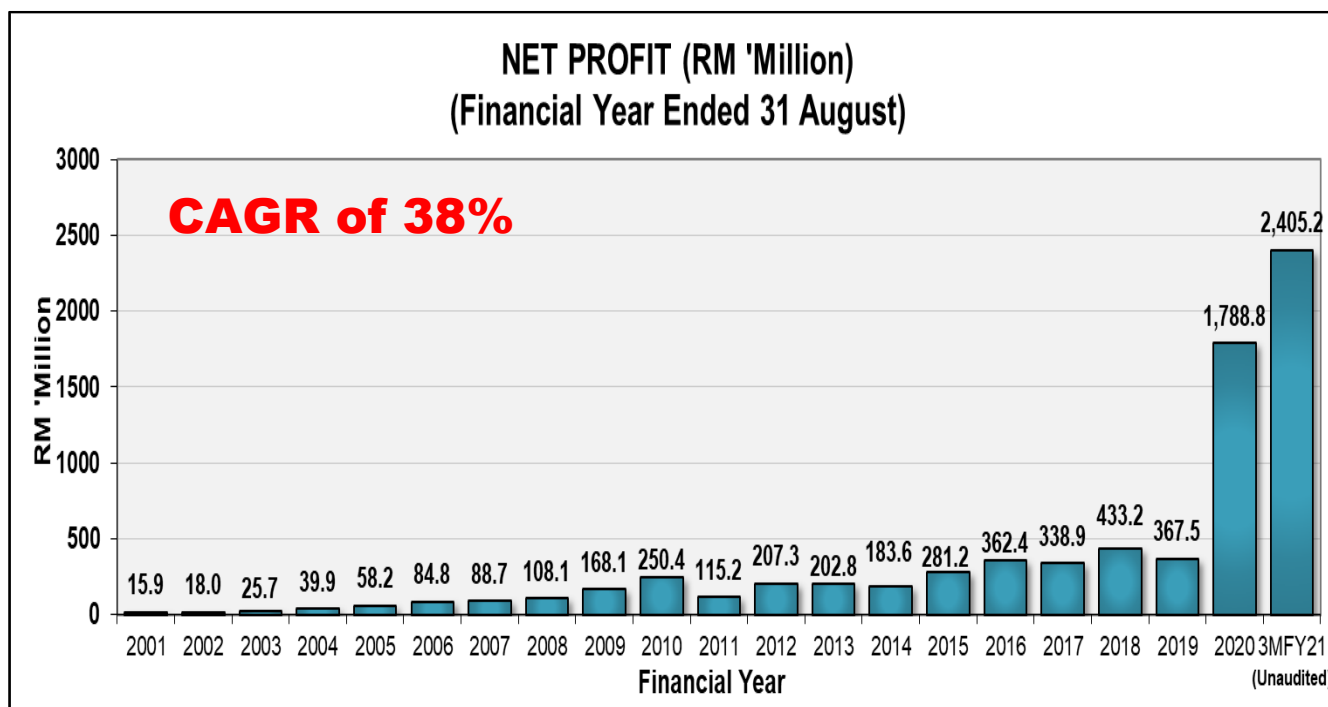
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HISTORICAL TREND:

3) Compounded annual growth rate (CAGR) in revenue of 28% for past 21 years.



4) Compounded annual growth rate (CAGR) in net profit of 38% for past 21 years.



5) Financial results of the Group since year 2008:

RM 'mil	Financial year ended 31 August													
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	3MFY21 (unaudited)
Revenue	1,377.9	1,529.1	2,079.4	2,053.9	2,314.5	2,313.2	2,275.4	2,510.5	2,888.5	3,409.2	4,220.7	4,801.1	7,237.4	4,759.3
EBITDA	197.8	287.5	364.7	196.7	297.7	310.6	301.8	441.7	524.7	489.3	694.0	687.5	2,421.5	3,155.8
EBITDA margin	14.4%	18.8%	17.5%	9.6%	12.9%	13.4%	13.3%	17.6%	18.2%	14.4%	16.4%	14.3%	33.5%	66.3%
PBT	134.6	222.0	305.0	145.5	240.7	242.2	216.3	363.5	442.2	393.4	522.8	423.6	2,165.6	3,095.5
PBT margin	9.8%	14.5%	14.7%	7.1%	10.4%	10.5%	9.5%	14.5%	15.3%	11.5%	12.4%	8.8%	29.9%	65.0%
Taxation	26.5	53.9	54.6	30.3	33.4	39.4	32.7	82.3	79.8	54.5	89.6	56.1	376.8	690.3
PAT	108.1	168.1	250.4	115.2	207.3	202.8	183.6	281.2	362.4	338.9	433.2	367.5	1,788.8	2,405.2
PAT margin	7.8%	11.0%	12.0%	5.6%	9.0%	8.8%	8.1%	11.2%	12.5%	9.9%	10.3%	7.7%	24.7%	50.5%

6) Dividends

The Group dividend record is as follow:

Financial Year	Net Dividend per share (sen)*	Total Dividend (RM'000)	Status
2021	16.50	1,326,019	Declared
2020	11.83	961,732	Paid
2019	2.50	191,960	Paid
2018	2.83	217,282	Paid
2017	2.42	181,936	Paid
2016	2.42	181,655	Paid
2015	1.92	143,143	Paid
2014	1.33	99,009	Paid
2013	1.33	99,252	Paid
2012	1.33	99,038	Paid
2011	0.92	68,035	Paid
2010	1.33	98,877	Paid
2009	0.92	65,873	Paid
2008	0.46	32,389	Paid
2007	0.38	27,435	Paid
2006	0.31	21,173	Paid
2005	0.22	14,110	Paid
2004	0.20	12,295	Paid
2003	0.15	9,550	Paid
2002	0.05	2,808	Paid
2001	0.07	4,000	Paid
Total		3,857,571	

Note : *Net dividend per share has been adjusted to reflect :

- Bonus issue of 30% in April 2002, 40% in April 2003, 40% in February 2007, 100% in July 2010, 100% in January 2016, 100% in October 2018 and 200% in September 2020.
- Subdivision of shares from one ordinary share of RM1.00 to two ordinary shares of RM0.50 each which was completed in February 2005.

