Quarterly rpt on consolidated results for the financial period ended 28 Feb 2021

TOP GLOVE CORPORATION BHD

Financial Year End	31 Aug 2021
Quarter	2 Qtr
Quarterly report for the financial period ended	28 Feb 2021
The figures	have not been audited

Attachments

TopGlove 2QFY2021 Financial Results.pdf
379.6 kB

Top Glove 2QFY2021 Press Release.pdf
277.5 kB

Default Currency | **Other Currency**

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
28 Feb 2021

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		28 Feb 2021	29 Feb 2020	28 Feb 2021	29 Feb 2020
		$$'000	$$'000	$$'000	$$'000
1	**Revenue**	5,365,482	1,229,777	10,123,815	2,438,877
2	**Profit/(loss) before tax**	3,724,994	130,374	6,809,658	255,826
3	**Profit/(loss) for the period**	2,901,707	116,012	5,288,963	227,769
4	**Profit/(loss) attributable to ordinary equity holders of the parent**	2,868,977	115,683	5,226,762	227,109
5	**Basic earnings/(loss) per share (Subunit)**	35.77	1.67	64.77	3.06
6	**Proposed/Declared dividend per share (Subunit)**	25.20	0.00	41.70	0.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	**Net assets per share attributable to ordinary equity**	0.8600		0.6000	

	to ordinary equity holders of the parent ($$)		

Remarks :
For comparative purpose, the following had been adjusted to reflect the Bonus Issue of 2 Bonus Shares for every 1 existing Ordinary Share which was completed on 7 September 2020:
1. Earnings per share for the quarter and year to date ended 29 February 2020
2. Net Assets per share for 31 August 2020

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	TOP GLOVE CORPORATION BHD
Stock Name	TOPGLOV
Date Announced	09 Mar 2021
Category	Financial Results
Reference Number	FRA-09122020-00001

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]
The World's Largest Manufacturer of Gloves
Website : www.topglove.com E-mail : invest@topglove.com.my

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2021

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	28 Feb 2021	29 Feb 2020	28 Feb 2021	29 Feb 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	5,365,482	1,229,777	10,123,815	2,438,877
Operating expenses	(1,665,461)	(1,091,584)	(3,361,567)	(2,168,445)
Other operating income	24,866	11,179	48,083	20,524
Profit from operations	**3,724,887**	**149,372**	**6,810,331**	**290,956**
Finance costs	(1,222)	(18,165)	(2,765)	(36,883)
Share of result of associate	1,329	(833)	2,092	1,753
Profit before tax	**3,724,994**	**130,374**	**6,809,658**	**255,826**
Taxation	(823,287)	(14,362)	(1,520,695)	(28,057)
Profit net of tax	**2,901,707**	**116,012**	**5,288,963**	**227,769**
Profit attributable to:				
Owners of the parent	2,868,977	115,683	5,226,762	227,109
Holders of Perpetual Sukuk	12,872	0	25,745	0
Non controlling interests	19,858	329	36,456	660
	2,901,707	**116,012**	**5,288,963**	**227,769**
Earnings per share attributable to owners of the parent, sen:				
Basic	**35.77**	**1.67***	**64.77**	**3.06**
Diluted	**35.72**	**1.58***	**64.69**	**2.91**

* For comparative purpose, the earnings per share for the quarter and year to date ended 29 February 2020 had been adjusted to reflect the bonus issue of 2 for every 1 existing ordinary share which was completed on 7 September 2020.

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2020.

TOP GLOVE CORPORATION BHD.
Company No.199801018294 [474423-X]
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2021

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	28 Feb 2021	29 Feb 2020	28 Feb 2021	29 Feb 2020
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	2,901,707	116,012	5,288,963	227,769
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Net movement on debt instrument at fair value through other comprehensive income	(1,283)	(2,406)	(1,101)	(2,084)
Foreign currency translation differences of foreign operations	528	(5,141)	3,332	(5,308)
Cash flow hedge	0	(14,971)	2,690	3,514
Other comprehensive (loss)/income, net of tax	**(755)**	**(22,518)**	**4,921**	**(3,878)**
Total comprehensive income	**2,900,952**	**93,494**	**5,293,884**	**223,891**
Total comprehensive income attributable to:				
Owners of the parent	2,868,247	93,562	5,231,530	223,613
Holders of Perpetual Sukuk	12,872	0	25,745	0
Non controlling interests	19,833	(68)	36,609	278
	2,900,952	**93,494**	**5,293,884**	**223,891**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2020.

TOP GLOVE CORPORATION BHD.
Company No.199801018294 [474423-X]
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2021

	Unaudited as at 28 Feb 2021 RM'000	Audited as at 31 Aug 2020 RM'000
ASSETS		
Non current assets		
Property, plant and equipment	3,627,274	3,010,233
Right of use assets	211,648	201,425
Investment property	163,900	163,900
Investment in an associate	12,517	10,425
Deferred tax assets	4,293	19,589
Biological assets	79	28
Investment securities	392	392
Intangible assets	1,010,552	1,012,319
	5,030,655	**4,418,311**
Current assets		
Inventories	856,798	530,729
Trade and other receivables	1,881,587	798,805
Other current assets	104,673	74,884
Derivative financial instruments	0	45
Investment securities	2,176,171	1,674,631
Cash and bank balances	2,359,693	1,208,559
	7,378,922	**4,287,653**
Total assets	**12,409,577**	**8,705,964**
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	1,222,581	810,824
Contract liabilities	975,888	879,386
Loans and borrowings	304,514	314,199
Lease liabilities	5,687	1,442
Income tax payables	1,394,911	126,673
Derivative financial instruments	848	0
	3,904,429	**2,132,524**
Net current assets	**3,474,493**	**2,155,129**
Non current liabilities		
Loans and borrowings	168,498	226,340
Lease liabilities	12,743	9,672
Deferred tax liabilities	120,794	141,988
Provisions	7,896	4,557
	309,931	**382,557**
Total liabilities	**4,214,360**	**2,515,081**
Net assets	**8,195,217**	**6,190,883**
Equity attributable to owners of the parent		
Share capital	1,831,244	1,675,704
Treasury shares	(1,424,104)	(1,519)
Retained earnings	6,339,393	3,131,530
Other reserves	95,248	65,040
	6,841,781	**4,870,755**
Perpetual Sukuk	1,295,262	1,295,262
Non controlling interests	58,174	24,866
Total equity	**8,195,217**	**6,190,883**
Total equity and liabilities	**12,409,577**	**8,705,964**
Net assets per share attributable to ordinary equity holders of the parent, RM	**0.86**	**0.60***

* For comparative purpose, the net assets per share attributable to ordinary equity holders of the parent as at 31 August 2020 had been adjusted to reflect the bonus issue of 2 for every 1 existing ordinary share which was completed on 7 September 2020.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2020.

TOP GLOVE CORPORATION BHD
Company No.199801018294 [474423-X]
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 28 FEBRUARY 2021

		Attributable to owners of the parent											
		Total	Non distributable								Distributable		
	Total equity RM'000	equity attributable to owners of the parent RM'000	Share capital RM'000	Treasury shares RM'000	Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Cash flow hedge reserve RM'000	Other reserve RM'000	Fair value adjustment reserve RM'000	Retained earnings RM'000	Perpetual sukuk RM'000	Non controlling interests RM'000
6 months ended 28 February 2021													
Opening balance at 1 September 2020	**6,190,883**	**4,870,755**	**1,675,704**	**(1,519)**	**44,549**	**10,088**	**5,319**	**(2,690)**	**7,774**	**0**	**3,131,530**	**1,295,262**	**24,866**
Profit net of tax	5,288,963	5,226,762	0	0	0	0	0	0	0	0	5,226,762	25,745	36,456
Other comprehensive income/(loss)	4,921	4,768	0	0	3,179	0	0	2,690	0	(1,101)	0	0	153
Total comprehensive income	**5,293,884**	**5,231,530**	**0**	**0**	**3,179**	**0**	**0**	**2,690**	**0**	**(1,101)**	**5,226,762**	**25,745**	**36,609**
Transactions with owners													
Issuance of ordinary shares pursuant to ESOS	47,816	47,816	47,816	0	0	0	0	0	0	0	0	0	0
Issuance of ordinary shares pursuant to conversion of exchangeable bonds	104,387	104,387	104,387	0	0	0	0	0	0	0	0	0	0
Issuance of shares to non controlling interest	300	0	0	0	0	0	0	0	0	0	0	0	300
Share options granted under ESOS	25,781	25,781	0	0	0	0	25,781	0	0	0	0	0	0
Transfer from share option/tax incentive reserve	0	0	3,337	0	0	0	(3,343)	0	3,002	0	(2,996)	0	0
Purchase of treasury shares	(1,422,585)	(1,422,585)	0	(1,422,585)	0	0	0	0	0	0	0	0	0
Distribution to holders of Perpetual Sukuk	(25,745)	0	0	0	0	0	0	0	0	0	0	(25,745)	0
Dividends on ordinary shares/ non controlling interest	(2,019,504)	(2,015,903)	0	0	0	0	0	0	0	0	(2,015,903)	0	(3,601)
Total transactions with owners	**(3,289,550)**	**(3,260,504)**	**155,540**	**(1,422,585)**	**0**	**0**	**22,438**	**0**	**3,002**	**0**	**(2,018,899)**	**(25,745)**	**(3,301)**
Closing balance at 28 February 2021	**8,195,217**	**6,841,781**	**1,831,244**	**(1,424,104)**	**47,728**	**10,088**	**27,757**	**0**	**10,776**	**(1,101)**	**6,339,393**	**1,295,262**	**58,174**
6 months ended 29 February 2020													
Opening balance at 1 September 2019	**2,554,087**	**2,536,901**	**788,326**	**(1,781)**	**51,645**	**10,088**	**8,995**	**(80,291)**	**5,926**	**2,084**	**1,751,909**	**0**	**17,186**
Profit net of tax	227,769	227,109	0	0	0	0	0	0	0	0	227,109	0	660
Other comprehensive (loss)/income	(3,878)	(3,496)	0	0	(4,926)	0	0	3,514	0	(2,084)	0	0	(382)
Total comprehensive income	**223,891**	**223,613**	**0**	**0**	**(4,926)**	**0**	**0**	**3,514**	**0**	**(2,084)**	**227,109**	**0**	**278**
Transactions with owners													
Issuance of ordinary shares pursuant to ESOS	9,071	9,071	9,071	0	0	0	0	0	0	0	0	0	0
Share options granted under ESOS	1,997	1,997	0	0	0	0	1,997	0	0	0	0	0	0
Transfer from retained earnings	0	0	0	0	0	0	0	0	267	0	(267)	0	0
Issuance of perpetual sukuk	1,294,559	0	0	0	0	0	0	0	0	0	0	1,294,559	0
Dividends on ordinary shares	(102,394)	(102,394)	0	0	0	0	0	0	0	0	(102,394)	0	0
Total transactions with owners	**1,203,229**	**(91,330)**	**9,067**	**0**	**0**	**0**	**1,997**	**0**	**267**	**0**	**(102,661)**	**1,294,559**	**0**
Closing balance at 29 February 2020	**3,981,207**	**2,669,184**	**797,393**	**(1,781)**	**46,719**	**10,088**	**10,992**	**(76,777)**	**6,193**	**0**	**1,876,357**	**1,294,559**	**17,464**

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2020.

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
AS AT 28 FEBRUARY 2021

	Current Year To Date Ended 28 Feb 2021 RM'000	Corresponding Year To Date Ended 29 Feb 2020 RM'000
Operating activities		
Profit before tax	6,809,658	255,826
Depreciation and amortisation	151,062	110,629
Other adjustments	(7,699)	16,206
Operating cash flows before changes in working capital	**6,953,021**	**382,661**
Changes in working capital		
Net changes in current assets	(1,428,258)	(27,658)
Net changes in current liabilities	512,468	106,254
Cash flows from operating activities	**6,037,231**	**461,257**
Interest paid	(2,765)	(27,741)
Income taxes paid	(258,353)	(32,986)
Net cash flows generated from operating activities	**5,776,113**	**400,530**
Investing activities		
Placement of investment securities	(502,585)	(466,403)
Purchase of property, plant and equipment	(769,850)	(367,505)
Proceeds from disposal of property, plant and equipment	280	4,231
Interest received	29,481	2,908
Net cash flows used in investing activities	**(1,242,674)**	**(826,769)**
Financing activities		
Dividends paid on ordinary shares	(2,015,903)	(102,398)
Dividends paid on non controlling interests	(3,601)	0
Issuance of shares to non controlling interests	300	0
Proceeds from issuance of ordinary shares pursuant to ESOS	47,816	9,071
Purchase of treasury shares	(1,422,585)	0
Payment of principal portion of lease liabilities	(1,478)	(901)
Proceeds from issuance of perpetual Sukuk	0	1,294,559
Dividends paid to Perpetual Sukuk holders	(25,745)	0
Drawdown/(repayment) of loans and borrowings	38,891	(85,011)
Net cash flows (used in)/generated from financing activities	**(3,382,305)**	**1,115,320**
Net increase in cash and cash equivalents	**1,151,134**	**689,081**
Cash and cash equivalents at 1 September 2020 / 2019	**1,208,559**	**165,782**
Cash and cash equivalents at 28 February 2021 / 2020	**2,359,693**	**854,863**

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2020.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2021

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2020.

The audited financial statements of the Group for the year ended 31 August 2020 were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"). The significant accounting policies and method of computations adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 31 August 2020 except for the adoption of the following amendments to MFRSs:

Description
Amendments to MFRS 3: Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
Amendments to MFRS 108 and MFRS 101: Definition of Material
Amendment to MFRS 16 Leases: Covid-19-Related Rent Concessions

The adoption of the above amendments to MRFSs do not have a material impact on the financial statements of the Group.

2. Auditors' report

The audited financial statements for the financial year ended 31 August 2020 was not subject to any qualification.

3. Seasonal or cyclical factors

The operations of the Group were not affected by any seasonal or cyclical factors in view of its well diversified world markets and the nature of the Company's products being disposable gloves.

4. Extraordinary and exceptional items

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 28 February 2021.

5. Changes in estimates of amounts reported previously

There were no material changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current financial year to date.

6. Changes in debts and equity securities

a) As at the quarter ended 28 February 2021, a total of 6,649,100 new ordinary shares were issued pursuant to the exercise of the ESOS. Details of the issued and paid up capital of the Company as at 28 February 2021 are as follows:

	No. of shares	RM'000
As at 30 November 2020	8,196,499,534	1,815,954
Ordinary shares issued pursuant to the ESOS	6,649,100	15,290
As at 28 February 2021	8,203,148,634	1,831,244

b) During the current quarter, the Company repurchased 42,130,800 ordinary shares from the open market at an average price of RM 6.30 per share. The total consideration paid including transaction costs was RM265.6 million, which was financed by internally generated funds.
As at 28 February 2021, of the total 8,203,148,634 issued and fully paid ordinary shares, 202,152,500 ordinary shares are held as treasury shares by the Company.

Other than the above, there were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in the current quarter and financial period ended 28 February 2021.

7. Dividends paid

The Board of Directors of Top Glove has adopted a Dividend Policy to declare and pay annual dividends of 50% of its profit after tax and minority interest in respect of future financial years.
Record of dividends paid:

Financial Year	Net Dividend per share (sen)*	Total Dividend Paid (RM'000)
1QFY2021	16.50	1,323,582
2020	11.83	961,731
2019	2.50	191,960
2018	2.83	217,282
2017	2.42	181,936
2016	2.42	181,655
2015	1.92	143,143
2014	1.33	99,009
2013	1.33	99,252
2012	1.33	99,038
2011	0.92	68,035
2010	1.33	98,877
2009	0.92	65,873
2008	0.46	32,389
2007	0.38	27,435
2006	0.31	21,173
2005	0.22	14,110
2004	0.20	12,295
2003	0.15	9,550
2002	0.05	2,808
2001	0.07	4,000
Total		**3,855,133**

Note: * Net dividend per share has been adjusted to reflect:
a) 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.
b) Subdivision of shares from one ordinary share of RM1.00 to two ordinary shares of RM0.50 each which was completed in February 2005.

8. Segmental reporting

a. Primary reporting segment – Geographical segments.

The Group operates in three principal geographical areas of the world and is primarily involved in the gloves manufacturing industry.

The directors are of the opinion that all intersegment transactions have been entered into in the normal course of business and have been established on negotiated and mutually agreed terms.

6 months ended 28 February 2021

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	8,423,108	791,219	301,427	608,061	0	10,123,815
Intersegment sales	427,130	210,264	999	0	(638,393)	0
Total Revenue	8,850,238	1,001,483	302,426	608,061	(638,393)	10,123,815
Result						
Segment profit	5,934,528	554,619	176,403	144,781	0	6,810,331
Finance cost	(1,785)	(292)	0	(688)	0	(2,765)
Share of result of associate	2,092	0	0	0	0	2,092
Profit before tax						6,809,658
Assets						
Segment assets	9,211,076	1,030,016	317,131	823,992	1,027,362	12,409,577
Intangible assets	1,010,522	0	0	0	0	1,010,522
Liabilities						
Segment liabilities	2,171,526	175,674	92,239	259,216	1,515,705	4,214,360

b. Secondary reporting segment – Business segments

As the Group is principally involved in gloves manufacturing industry, segment reporting by business segment is not prepared.

9. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

10. Material events subsequent to the end of the interim report

There were no significant subsequent events after the end of the interim period to the date of this announcement, which will materially affect the earnings or income of the Group.

11. Changes in the composition of the Group

During the quarter under review, a wholly owned sub-subsidiary Healthy Hostel Sdn. Bhd had been added to the Group.

Other than the above, there were no other significant changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long term investment, restructuring and discontinuing operations.

12. Contingent liabilities

A nominal amount of RM473 million relating to corporate guarantees has been provided by the Company to banks for its subsidiaries' loans and borrowings.

The fair value of the corporate guarantees granted by the Company to banks in respect of loans and borrowings obtained by its subsidiaries is not material as the difference in borrowing rates charged by the banks is not significant in the absence of such guarantees.

13. Capital commitments

As at the end of the reporting quarter, the Company had approved and contracted for capital expenditures amounting approximately to RM824.4 million.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

14. Review of performance

A comparison of Top Glove's performance for second quarter ended 28 February 2021 ("2QFY2021") and the year to date 28 February 2021 ("1HFY2021") with the corresponding period last financial year are as follows:

	2QFY2021 RM'mil	2QFY2020 RM'mil	Variance %	1HFY2021 RM'mil	1HFY2020 RM'mil	Variance %
Revenue	5,365	1,230	336	10,124	2,439	315
Operating profit	3,725	149	2,400	6,810	291	2,240
Profit before interest and tax	3,709	147	2,423	6,783	290	2,239
Profit before tax	3,725	130	2,765	6,810	256	2,560
Profit after tax	2,902	116	2,402	5,289	228	2,220
Profit attributable to owners of the parent	2,869	116	2,373	5,227	227	2,203

For the quarter ended 2QFY2021, Top Glove attained the highest ever quarterly Sales Revenue of RM5.37 billion, representing an increase of 336% compared with 2QFY2020. Profit after tax surged by 24 times to RM2.9 billion, exceeding the Group's profit for the full FY2020. The Sales Volume (Quantity Sold) was also on the uptrend, rising by 19% versus 2QFY2020.

The Group's financial performance for the 1HFY2021 was robust. Sales Revenue amounted to RM10.12 billion, an increase of 315% over 1HFY2020. Meanwhile, Profit after tax registered at RM5.29 billion, surging 22 times compared with 1HFY2020, and exceeded the Group's total profit for the past 20 years. The Sales Volume (Quantity Sold) was also on the uptrend, rising by 25% versus 1HFY2020.

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 2QFY2021, natural latex concentrate registering a 35% increase to an average of RM5.97/kg and nitrile latex going 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.

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 2QFY2021, which the Board has committed to paying from 2QFY2021 to 4QFY2021. 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.

As at 28 February 2021, the Group was in a net cash position of RM4.06 billion.

14. Review of performance (continued)

The financial results of Top Glove since financial year 2008 are as follows:

RM 'mil	Financial year ended 31 August													
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**1HFY2021 (unaudited)**
Revenue	1,378	1,529	2,079	2,054	2,315	2,313	2,275	2,511	2,889	3,409	4,221	4,801	7,237	10,124
EBITDA	198	288	365	197	298	311	302	442	525	489	694	687	2,421	6,934
EBITDA margin	14%	19%	18%	10%	13%	13%	13%	18%	18%	14%	16%	14%	33%	69%
PBT	135	222	305	146	241	242	216	364	442	393	523	424	2,166	6,810
PBT margin	10%	15%	15%	7%	10%	11%	10%	15%	15%	12%	12%	9%	30%	67%
Taxation	27	54	55	30	33	39	33	82	80	55	90	56	377	1,521
PAT	108	168	250	115	207	203	184	281	362	339	433	368	1,789	5,289
PAT margin	8%	11%	12%	6%	9%	9%	8%	11%	13%	10%	10%	8%	25%	52%

15. Comparison of quarterly financial results with preceding quarter

	2QFY2021 RM'mil	1QFY2021 RM'mil	Variance %
Revenue	5,365	4,758	13
Operating profit	3,725	3,085	21
Profit before interest and tax	3,709	3,074	21
Profit before tax	3,725	3,085	21
Profit after tax	2,902	2,387	22
Profit after tax attributable to owners of the parent	2,869	2,358	22

For the 2QFY2021, the Group's Sales Revenue was RM5.37 billion, up by 13%. Meanwhile, Profit after tax amounted to RM2.9 billion, rising by 22% versus 1QFY2021. Sales Volume (Quantity Sold) declined 8% quarter on quarter due to temporary stoppages in production at the Meru, Klang factories in November and December 2020.

Raw material prices 2QFY2021 in increasing trend compare 1QFY2021, average natural latex concentrate price increased 16% from RM5.14/kg to RM5.97/kg. Nitrile latex price also increased 63% from USD1.31/kg to USD2.14/kg.

16. Commentary on prospects and targets

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 increase in usage coupled with heightened hygiene awareness. To ensure it remains well-positioned to meet the continued strong 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 1 Double Former (DF) Line = 2 Single Former (SF) Lines	Capacity, pcs per annum
Current: 36 glove factories		**All**	**765 Equivalent SF Lines**	**93 bn**
2021 1st Quarter (Jan'21 to Mar'21)	Malaysia	Nitrile / Latex	8 DF lines + 3 SF lines	2.8 bn
	Thailand		14 DF lines	4.2 bn
2021 2nd 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 3rd 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 CY2021			**59 DF lines + 3 SF lines**	**18 bn (+19%)**
Grand total by 31 December 2021 : 39 glove factories			**886 Equivalent SF Lines**	**111 bn**
2022 1st Quarter (Jan'22 to Mar'22)	Malaysia	Nitrile / Latex	52 DF lines	15.6 bn
2022 2nd Quarter (Apr'22 to Jun'22)	Malaysia	Nitrile / Latex	28 DF lines	8.4 bn
	Thailand		14 DF lines	4.2 bn
2022 3rd Quarter (Jul'22 to Sep'22)	Vietnam	PVC	10 DF lines	2.6 bn
2022 4th Quarter (Oct'22 to Dec'22)	Malaysia	Nitrile / Latex	14 DF lines	4.2 bn
Total new capacity in CY2022			**118 DF lines**	**35 bn (+32%)**
Grand total by 31 December 2022 : 43 glove factories			**1,122 Equivalent SF Lines**	**146 bn**

16. Commentary on prospects and targets (continued)

To commence production by Calendar Quarter	Country	Glove type	Number of production lines 1 Double Former (DF) Line = 2 Single Former (SF) Lines	Capacity, pcs per annum
2023 1st Quarter (Jan'23 to Mar'23)	Malaysia	Nitrile / Latex	12 DF lines	3.7 bn
2023 2nd Quarter (Apr'23 to Jun'23)	Malaysia	Nitrile / Latex	7 DF lines	2.1 bn
2023 3rd Quarter (Jul'23 to Sep'23)	Malaysia	Nitrile / Latex	52 DF lines	15.6 bn
		Surgical	4 DF lines	1.2 bn
2023 4th 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 CY2023			**97 DF lines**	**29 bn (+20%)**
Grand total by 31 December 2023 : 44 glove factories			**1,316 Equivalent SF Lines**	**175 bn**
2024 1st Quarter (Jan'24 to Mar'24)	Malaysia	Nitrile / Latex	14 DF lines	4.4 bn
	Thailand		30 DF lines	9.2 bn
2024 2nd Quarter (Apr'24 to Jun'24)	Malaysia	Nitrile / Latex	7 DF lines	2.2 bn
2024 3rd Quarter (Jul'24 to Sep'24)	Malaysia	Nitrile / Latex	24 DF lines	7.4 bn
2024 4th 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 CY2024			**97 DF lines**	**30 bn (+17%)**
Grand total by 31 December 2024 : 47 glove factories			**1,510 Equivalent SF Lines**	**205 bn**

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 the adoption of digital transformation.

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.

Top Glove's corporate credit rating was also upgraded by the 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.

16. Commentary on prospects and targets (continued)

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.

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 in 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.

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

17. Variance of actual profits from forecast profits

Not applicable as no profit forecast was issued.

18. Taxation

	Quarter Ended		Year To Date Ended	
	28 Feb 2021 RM'000	29 Feb 2020 RM'000	28 Feb 2021 RM'000	29 Feb 2020 RM'000
Income tax				
Current quarter/year	862,847	19,643	1,526,653	38,158
Under provision	0	0	(62)	132
Deferred tax	(39,560)	(5,314)	(5,896)	(10,277)
Real property gain tax	0	33	0	44
	823,287	14,362	1,520,695	28,057

The effective tax rate of the Group is lower than the statutory tax rate due to the tax incentives available to Malaysia and certain overseas subsidiaries.

19. Profit/(loss) on sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties during the current quarter and financial year to date.

20. Purchase and disposal of quoted securities

	Quarter Ended 28 Feb 2021 RM'000	Year To Date Ended 28 Feb 2021 RM'000
Placement of quoted securities	405,972	1,409,667
Withdrawal of quoted securities	907,082	907,082

Other than the above, there was no other purchase or disposal of quoted securities by the Group for the current quarter and financial year to date.

21. Status of corporate proposals announced

The Company had on 26 February 2021 announced the following proposals:
(i) Proposed issuance of new shares;
(ii) Proposed amendments; and
(iii) Proposed dual primary listing of the ordinary shares in Top Glove on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEX").

Except the above mentioned, there were no other corporate proposals not announced or outstanding as at 28 February 2021.

22. Derivative financial instruments

	As at 28 February 2021	
	Contract/Notional Amount RM'000	Fair value liabilities RM'000
Forward currency contracts	308,161	(848)

As at, the Group held forward contracts designated as hedges of expected future sales to customers for which the Group has firm commitments. Forward currency contracts used to hedge the Company's sales are denominated in USD for which firm commitments existed at the reporting date, extending to June 2021.

During the year to date ended 28 February 2021, the Group recognised a loss of RM893,000 arising from changes in fair value of the forward currency contracts.

23. Fair value hierarchy

The Group uses the following hierarchy in determining the fair value of all financial instruments carried at fair value:
Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – Inputs that are based on observable market data, either directly or indirectly
Level 3 – Inputs that are not based on observable market data

As at 28 February 2021, the Group held the following financial assets/(liabilities) that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Assets/(liabilities) measured at fair value:			
Financial assets at fair value through other comprehensive income comprehensive income			
• Debt securities (quoted outside Malaysia)	197,434	0	197,434
Financial assets at fair value through profit or loss			
• Money market funds (quoted in Malaysia)	1,978,737	0	1,978,737
Derivative financial instruments			
• Fair value liabilities	0	(848)	(848)

24. Group loans and borrowings

The Group loans and borrowings as at 28 February 2021 were as follows:

	As at 28 Feb 2021	As at 29 Feb 2020
	RM'000	**RM'000**
Current		
Secured		
Bank borrowings	0	337
Term Loan	2,279	0
	2,279	337
Unsecured		
Syndicated loan	0	129,889
Bank borrowings	289,021	867,735
Term loan	13,214	5,890
	302,235	1,003,514
Total current borrowings	304,514	1,003,851
Non-current		
Secured		
Bank borrowings	0	82
Term Loan	2,840	0
	2,840	82
Unsecured		
Syndicated loan	0	456,145
Term loan	165,658	30,438
Exchangeable bonds	0	850,030
	165,658	1,336,613
Total non-current borrowings	168,498	1,336,695

Summary of all loans and borrowings

	Foreign Currency Denominated '000	RM'000		Foreign Currency Denominated '000	RM'000
USD	20,781	84,155	USD	436,303	1,843,816
RM	13,232	13,232	RM	51,268	51,268
THB	165,000	22,169	THB	952,000	127,074
EUR	53,729	264,085	EUR	49,124	227,754
JPY	2,340,770	89,371	JPY	2,340,770	90,634
Total loans and borrowings		473,012			2,340,546
Exchange rate RM to USD1.00		4.0495			4.2260
Exchange rate RM to THB1.00		0.1344			0.1335
Exchange rate RM to EUR1.00		4.9240			4.6433
Exchange rate RM to JPY1.00		0.0382			0.0387

25. Notes to the Statement of Comprehensive Income

Profit for the period has been arrived at after crediting/(charging) the following items:

	Quarter Ended 28 Feb 2021 RM'000	Year To Date Ended 28 Feb 2021 RM'000
Interest income	17,500	29,481
Other income including investment income	7,366	18,602
Interest expenses	(1,222)	(2,765)
Depreciation and amortization	(76,526)	(151,062)
Foreign exchange gain	7,835	8,726
Fair value loss on foreign exchange contracts	(1,993)	(893)

26. Material litigation

The Company and its subsidiaries are not engaged in any material litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiaries, and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Company or subsidiaries.

27. Dividends

The Board of Directors is pleased to declare a second single tier dividend of 25.2 sen per ordinary share amounting to approximately RM 2.02 billion for the second quarter ended 28 February 2021, payable on 6 April 2021.

The Board of Directors had on 9 December 2020, declared a first single tier interim dividend of 16.5 sen per ordinary share and paid on 11 January 2021, amounting to RM1.32 billion for the first quarter ended 30 November 2020.

The total dividend paid and declared by the Company in respect of the first quarter and second quarter FY2021 is 41.7 sen per ordinary share represented by a payment of approximately RM3.34 billion.

28. Earnings per share

	Quarter Ended		Year To Date Ended	
	28 Feb 2021	29 Feb 2020	28 Feb 2021	29 Feb 2020
Profit net of tax attributable to owners of the parent (RM'000)	2,868,977	115,683	5,226,762	227,109
Net interest savings from assumed exchange of Guaranteed Exchangeable Bonds at inception (RM'000)	0	17,180	0	17,180
Adjusted profit net of tax attributable to owners of the parent (RM'000)	2,868,977	132,863	5,226,762	244,289
Basic				
Weighted average number of ordinary shares in issue ('000)	8,020,150	7,978,861	8,069,452	7,978,678
Basic earnings per share (sen)	35.77	1.67*	64.77	3.06*
Diluted				
Weighted average number of ordinary shares in issue ('000)	8,020,150	7,978,861	8,069,452	7,978,678
Effect of dilution from:				
Share options ('000)	10,961	7,413	9,926	7,358
Exchangeable bonds ('000)	0	401,015	0	401,015
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	8,031,111	8,387,289	8,079,378	8,387,051
Diluted earnings per share (sen)	35.72	1.58*	64.69	2.91*

* For comparative purpose, the earnings per share for the quarter and year to date ended 29 February 2020 had been adjusted to reflect the bonus issue of 2 for every 1 existing ordinary share which was completed on 7 September 2020.

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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:

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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.

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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.

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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: • 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