

Letter to Stakeholders and Management Discussion & Analysis

Our Comeback Year: From Recovery to Resurgence



TAN SRI DR LIM WEE CHAI
Executive Chairman

LIM CHEONG GUAN
Managing Director

Letter to Stakeholders and Management Discussion & Analysis (Bahasa Malaysia Version)



Imbas kod QR untuk membaca *Perutusan Kepada Pihak Berkepentingan dan Perbincangan & Analisis Pihak Pengurusan* dalam Bahasa Malaysia



https://tgapp.topglove.com/IAR/2025/Letter_to_Stakeholders_MDA/BM_Version/index.php

Letter to Stakeholders and Management Discussion & Analysis (Mandarin Version)



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https://tgapp.topglove.com/IAR/2025/Letter_to_Stakeholders_MDA/Chinese_Version/index.php

Good health and good day Fellow Stakeholders.

FY2025 was a defining year for the Group: one of resurgence and renewal. Top Glove achieved a triumphant return to core profitability in the first financial quarter, sustaining this positive momentum to conclude the year on a victorious note.

Amidst a volatile landscape disrupted by tariff uncertainty, competitive pressures and escalating operational costs, the Group demonstrated remarkable resilience. The result: vastly improved Sales Revenue, accelerated Volume growth, and solid gains in Profit; clear indicators of a business that has regained both its strength and stride.

Our comeback has been hard won. It was forged through diligence, determination and discipline. Thanks to the dedication of our people, whose steadfast focus on quality improvement and cost efficiency steered our efforts, we successfully captured recovering glove demand, particularly from the U.S. post tariff, leading to stronger Sales Volume and improved utilisation.

As we look to the future, we do so with equal parts confidence and anticipation. The glove industry's long term fundamentals remain robust, underpinned by sustained global glove demand and heightened hygiene awareness. While shifting trade dynamics present near term challenges to the industry, we are now anchored on a firmer foundation of operational resilience, strategically located manufacturing facilities and a diversified customer base worldwide. Today, we move forward from a place of strength. We stand ready to build on current achievements to deliver sustainable growth, in FY2026 and beyond.

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MANAGEMENT DISCUSSION AND ANALYSIS

Turning Momentum into Measurable Gains

In FY2025, the Group continued on its upward trajectory, translating returning glove demand into meaningful growth and a stronger performance. Sales Revenue rose to RM3.5 billion, an upswing of 39% from the previous year. Meanwhile, Profit After Tax strengthened to RM123 million, an impressive 674% surge year on year and PATAMI soared to RM105 million, a 262% jump versus FY2024. In keeping with the uptrend, Sales Volume expanded by 55%.

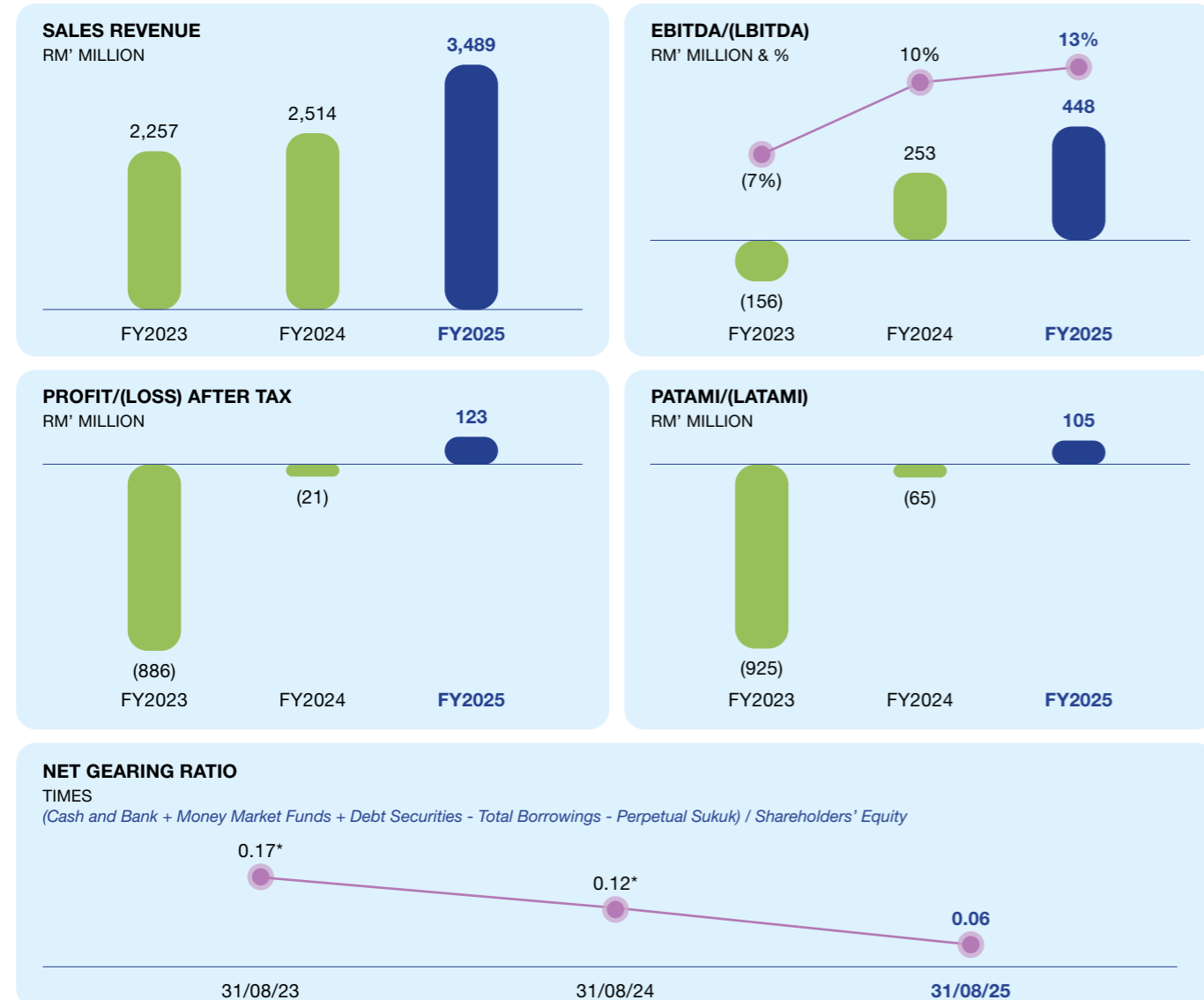
The Group's positive momentum was catalysed by stronger glove demand and improved operational efficiencies, supported by ongoing quality enhancement and cost optimisation that strengthened fundamentals. Disciplined cost management was also key to more competitive pricing, propelling Sales Volume and lifting utilisation to

approximately 75% of running capacity in August 2025. Meanwhile, operational gains coupled with favourable raw material trends, helped cushion the impact of a softer U.S. Dollar.

The Group recorded broad based Sales Volume growth in all regions throughout the year. Sales to the U.S. surged by 148%, reflecting renewed momentum, while Western and Eastern Europe registered robust double digit gains of 33% and 74% respectively. In Asia, Sales rose by 20%, reinforcing the Group's increasingly diversified global presence. Collectively, these trends combined with higher sales volumes and improved margins, lifted overall performance while placing the Group on a firmer footing.

The Group's **Performance Improvement Milestones for FY2025** and **FY2025 Sales Volume and Growth by Region** are summarised in the following diagrams.

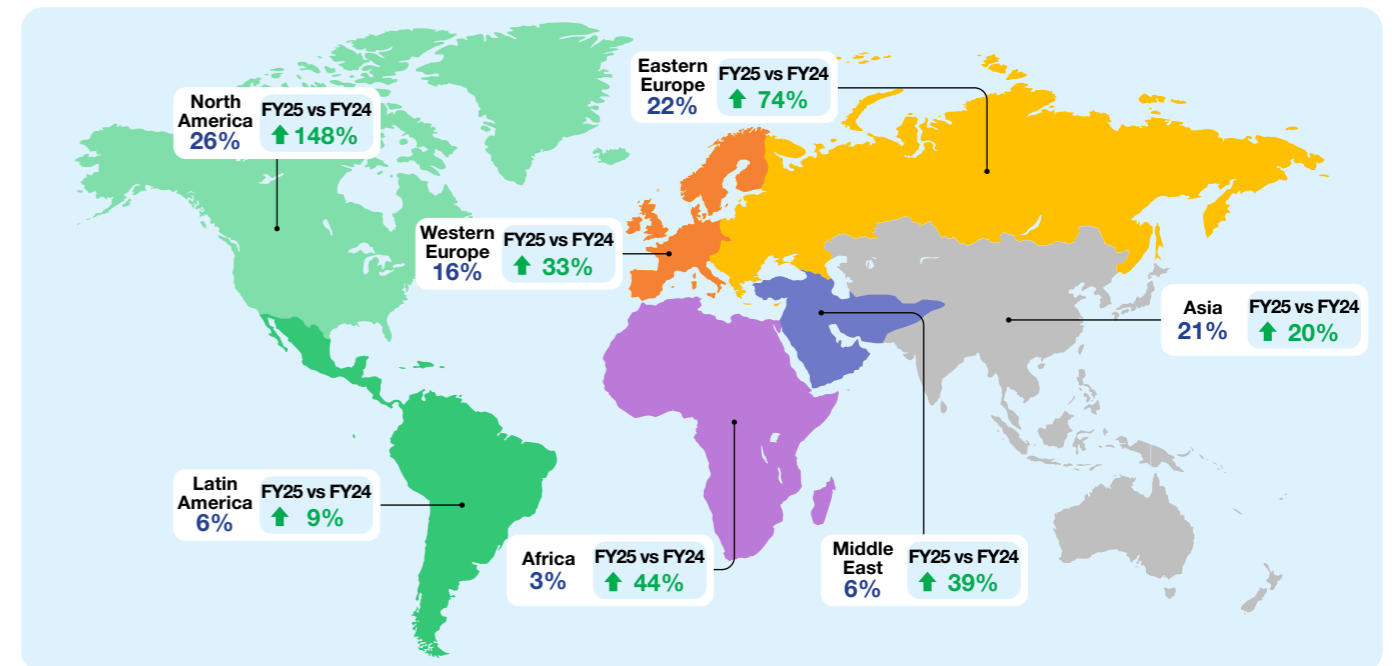
PERFORMANCE IMPROVEMENT MILESTONES FOR FY2025



* For better comparison, Perpetual Sukuk of RM1.18 billion was taken up as borrowings instead of equity on 31 August 2023 and 31 August 2024.

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FY2025 SALES VOLUME AND GROWTH BY REGION



CORPORATE DEVELOPMENTS

Strategic Steps for a Stronger Future

Alongside substantial financial progress, the Group also marked several important corporate milestones that enhanced governance, optimised capital structure and advanced long term value creation.

Fortifying the Board

In line with its commitment to robust governance, the Group welcomed to the Board, Puan Emelia Matrahah, whose wealth of experience and insights bring added depth to our leadership. At the same time, the Group extended its gratitude to Dr Ngo Get Ping who stepped down after years of dedicated service and invaluable contributions. With this transition, female representation on the Board now stands at a commendable 44%, maintaining the Group's exemplary record of surpassing the best practice benchmark of 30%.

Delivering Shareholder Value

Declaration of Final Dividend

Having returned to profitability in FY2025, the Group is pleased to declare a tax exempt final dividend of 0.48 sen per share amounting to RM38.5 million in total, while maintaining a prudent balance between shareholder returns and reinvestment to sustain growth. The dividend is payable on 15 December 2025.

Completion of Bonus Issue of Warrants

Earlier in the year, the Group completed a bonus issue of 400,883,626 warrants, listed on Bursa Securities on 14 February 2025 and on SGX-ST on 20 February 2025. These warrants, exercisable over five years, reflect the Group's confidence in future prospects and unwavering commitment to creating long term value for investors.

Optimising Capital and Financing

The Group successfully issued a 5 year Senior Sukuk valued at RM800 million in February 2025, ahead of the redemption of its RM1.18 billion Perpetual Sukuk. The issuance garnered overwhelming investor interest, with an order book of RM2.65 billion and an over subscription rate of 3.3 times. This refinancing exercise not only lowered financing costs, but reinforced our balance sheet as well, resulting in a healthier net gearing at 0.06 times, in line with the Group's direction to continue reducing its gearing ratio.

Monetising Noncore Assets

Further enhancing capital structure, the Group monetised selected noncore assets through the disposal of unutilised land within the Klang Valley. This initiative reduced gearing and debt, providing greater financial flexibility to pursue future growth opportunities.

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Garnering Global Recognition: Milestones Marked, Excellence Celebrated

Top Glove is honoured to have been recognised for achievements across the diverse pillars of ESG, reflecting our ability to adapt, innovate and excel in a dynamic marketplace. Beyond accolades, these distinctions underscore our commitment to building a business that is responsible, inclusive and enduring.



Placed among the *Top 5 Malaysian PLCs* as well as *Top 50 ASEAN PLCs* at the prestigious **ASEAN Corporate Governance Conference and Awards (CGCA) 2025**, initiated under the ASEAN Capital Markets Forum, which is the grouping of capital market regulators from all 10 ASEAN countries.



Upgraded to an “AA” rating in the **MSCI (Morgan Stanley Capital International) ESG Ratings** review as of 27 October 2025, placing us among the top 22% of companies globally in the *Health Care Equipment & Supplies* industry under the MSCI All Country World Index and in the top tier for *Human Capital Development*.



Ranked amongst the top 10% of global healthcare companies for ESG performance in the **FTSE (Financial Times Stock Exchange) Russell ESG Scores**. For the most recent assessment conducted in June 2025, we maintained our commendable score of 4.1 out of 5.0 from the previous year, surpassing the average industry score of 2.6.



Marked our 6th consecutive year in the esteemed **Dow Jones Sustainability Indices (Emerging Markets)**, standing amongst the top 3% of 244 companies worldwide within the *Health Care Equipment & Supplies Industry* in S&P’s Global Corporate Sustainability Assessment as at 18 July 2025.



Included in the **S&P (Standard & Poor’s) Global Sustainability Yearbook 2025** for the 4th year in a row, ranking among the top 15% of industry leading performers and the only Malaysian company representing the *Health Care Equipment & Supplies* sector in this year’s edition.



Earned exceptional recognition in **Sustainalytics’ ESG Risk Ratings**, ranking number 1 in the *Medical Supplies* subindustry (60 companies) and 8th in the *Healthcare* industry group (563 companies) as at 28 February 2025.



Garnered the coveted *Gold award for Responsible Manufacturing* under the *Environmental* category (*Large Companies*) at the **ESG Positive Impact Awards 2024**, organised by The Star Media Group on 15 July 2025.



Maintained a spot on the **Bloomberg GE Scores 2024** for the 3rd year running, with an improved score, reflecting an unwavering commitment to fostering workplace inclusivity and gender equality.



Achieved a top 10% score in the **ISS (Institutional Shareholder Services) ESG Corporate Rating**, earning the distinguished ‘Prime’ status for outstanding sustainability performance.



As of 19 June 2025, included for the 2nd year running in Fortune magazine’s prestigious **Southeast Asia 500** list, which ranks the largest companies in the region by their FY2024 revenue.



Named amongst ASEAN’s Top 3 Companies in the *Manufacturing* category at the **ASEAN Business Awards (ABA) 2025**, held in conjunction with the ASEAN Business and Investment Summit 2025 in Kuala Lumpur.



Honoured with the *Platinum Trusted Brand Award* in the *Hygiene/Disposable Gloves* category at the consumer vote based **Reader’s Digest Malaysian Trusted Brand 2025** awards, for the 3rd consecutive year. Reflecting continued excellence and strong brand equity, Top Glove outperformed its peers by a 25% margin, across 6 key attributes of Trustworthiness and Credibility, Quality, Value, Understanding of Customer Needs, Innovation, and Social Responsibility.

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▲ The Board of Directors and Management of Top Glove at the 34th Anniversary & Appreciation Dinner 2025 held on 10 October 2025

EMBEDDING SUSTAINABILITY IN EVERY ENDEAVOUR

Sustainability remains integral to the Group’s business strategy and culture, shaping progress across R&D, Engineering, and People initiatives and creating long term value for its stakeholders.

R&D: Innovating for Sustainable Progress

Across our 6 R&D Centres in Malaysia and Thailand, the Group continues to drive sustainable innovation through 4 key focus areas:





Product Leadership	Process Improvements	Life Cycle Assessment (LCA)	In House Testing Services
<p>Developed PPE solutions including accelerator free nitrile gloves to minimise allergy risks, the Biogreen® biodegradable nitrile glove series and specialised PPE for healthcare and F&B applications.</p>	<p>Advanced glove former design, online quality controls and automation, to boost efficiency and reduce defects.</p>	<p>Leveraged insights from our LCA studies to lower carbon footprint through energy efficient processes, improved formulations as well as sustainable packaging.</p>	<p>Enhanced in house testing capabilities for faster customer feedback and regulatory compliance, backed by strong IP achievements including a number 2 national ranking in patent filings in 2020.</p>

Operating through a collaborative innovation model that brings together suppliers, customers and internal teams, the Group ensures every R&D initiative delivers measurable value through enhanced quality, cost efficiency and sustainability. By embedding environmental and performance considerations into each stage of innovation, the Group not only meets evolving market needs but also helps define the future of responsible manufacturing.

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Engineering: Advancing Efficiency and Sustainability

Our Engineering teams continue to drive operational excellence through multifaceted initiatives that reduce costs, support sustainable production and reinforce the Group's green goals. Key focus areas include:

 <p>Operational Efficiency</p> <p>Ongoing recommissioning and optimisation of production lines to increase running capacity while enhancing efficiency and cost effectiveness.</p>	 <p>Energy & Utilities Management</p> <p>Refined line configurations with targeted heating to streamline natural gas consumption by up to 10%; implemented electricity saving measures to mitigate maximum demand charges; and continued to expand solar generation across our factory rooftops, for additional savings.</p>	 <p>Water Sustainability</p> <p>Expanded water recycling initiatives and increased capacity at water treatment plants, reducing municipal water consumption by 6% while supplying more recycled water internally.</p>	 <p>Digital & AI Integration</p> <p>Enhanced AI Vision Camera systems, for greater accuracy in defect detection; integrated <i>Copilot</i> and agent systems into workflows, alongside data intelligence platforms to augment employee productivity; and extended digitalisation to our supply chain by implementing the <i>Honest Mark</i> traceability system for select markets.</p>
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People: Nurturing Growth and Future Ready Talent

We continue to invest in initiatives that promote employee development, wellbeing and future readiness, reflecting our belief that the strength of the Group lies in its people. Key initiatives include:

 <p>Continuous Learning</p> <p>Targeted training to promote continual growth and professional development.</p>	 <p>Wellbeing & Wellness</p> <p>Talks and awareness campaigns, with a focus on mental health and holistic wellbeing, to support a balanced and healthy lifestyle.</p>	 <p>Engagement & Team Spirit</p> <p>A range of engagement activities including the Annual Appreciation Dinner, Top Glove Run, and sports tournaments that foster camaraderie and collaboration across all levels.</p>	 <p>Talent Pipeline</p> <p>Strengthened partnerships with local institutions of higher learning through MOUs to build future ready leaders and meet evolving workforce needs; and transitioned to a new Human Resource Information System (HRIS) consolidating key functions into a single, cost efficient platform, improving accessibility and streamlining key processes.</p>
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Together, our R&D, Engineering and People initiatives reflect a holistic approach to sustainability, which combines innovation with responsibility, and empowers our workforce to drive positive change. By embedding these principles into every aspect of our business, we continue to create value, build resilience and set an enduring foundation for a better future.

Sustainability Impact

 <p>Safer and more cost effective products for customers</p>	 <p>An engaged and supported workforce, well equipped for the future</p>
 <p>Lower emissions, optimised water usage, reduced waste and improved operational efficiency</p>	 <p>Meaningful ESG outcomes for customers, investors, regulators and communities</p>

For a more comprehensive view of our sustainability efforts, we invite you to refer to the section titled **Creating Sustainable Value** on pages 47 to 53 of this Integrated Annual Report or review our Sustainability Report 2025.

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▲ Recipients of the Long Service Awards beaming with pride as the Group honours their dedication and contributions

Next Generation Protection: Gloves That Go Further

As the demands of protection continue to evolve, so do our gloves. Engineered with advanced features and thoughtful design, our latest range goes further in delivering the safety, sustainability and performance our customers deserve.

 <p>Chemotherapy Nitrile Examination Gloves</p> <p>Tested against 60 chemotherapy drugs, including high risk substances such as Fentanyl, Xylazine and Gastric Acid, this glove delivers unmatched protection for healthcare professionals, establishing a new global benchmark for safety in medical environments.</p>	 <p>Halogen Free Nitrile Cleanroom Gloves</p> <p>Specifically engineered for ultra sensitive environments such as semiconductor, electric vehicle industry and aerospace manufacturing, this glove eliminates hazardous halogens from the production process, ensuring no cross contamination.</p>	 <p>Biogreen® Biodegradable Diamond Sandblast Nitrile Gloves</p> <p>Designed with the latest improved texture for superior grip in demanding industrial applications, this glove is formulated to biodegrade in biologically active landfill conditions, significantly reducing disposable glove waste and supporting ESG goals.</p>
 <p>ElastiCore™ Accelerator Free Nitrile Examination Gloves</p> <p>Combining superior elasticity and comfort with reliable strength, its soft, flexible fit reduces hand fatigue while providing lasting protection. This glove is also free from proteins and accelerators, minimising allergy risks. Clinically tested for viral and fluid barrier protection, it meets ASTM D6319 and EN455 standards, ensuring safe and trusted performance for medical use.</p>	 <p>LiteGuard™ Lightweight Latex Examination Gloves</p> <p>Offering lightweight comfort with enhanced tactile sensitivity, it provides precision handling and twice the puncture resistance for improved safety. The low protein content helps minimise Type I allergy risk, while the low weight design and EN455 standard compliance ensure reliable and trusted performance in medical settings.</p>	

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OUTLOOK

Beyond the Comeback: Charting Our Next Chapter of Growth

Beyond our comeback lies an exciting new chapter of sustained progress, strategic execution and strengthened growth. Having been restored to profitability, the Group is now focused on building upon the progress achieved and maintaining the momentum gained.

Our strategic priorities in the coming year will centre on quality, cost efficiency and operational agility, enabling the Group to better meet evolving customer needs while navigating market challenges. Ongoing initiatives to enhance efficiency, upgrade facilities and increase automation are expected to deliver long term cost competitiveness. Meanwhile, our manufacturing footprint, strategically located across Malaysia, Thailand and Vietnam, continues to provide flexibility and resilience, especially in managing regional tariff changes and supply chain risks.

With glove demand continuing to rise, the Group is well positioned to capture additional sales opportunities in the U.S. and Europe, with the latter supported by strong orders secured for 1QFY2026. The reopening of another factory, which adds an annual capacity of 2 billion pieces, will further enhance the Group's ability to serve growing glove demand across all regions.

Raw material and natural gas prices are expected to remain stable in general. Meanwhile, running capacity utilisation, already at 78% in October 2025, coupled with continued production enhancements, will also drive further cost optimisation and competitiveness. Although quarterly average selling price fluctuations are anticipated amid heightened competition and raw material price volatility, improving utilisation will ease pricing pressure and strengthen cost efficiency. The consistent hedging policy adopted by the Group will also continue to cushion currency movements, supporting earnings stability.

The Group also recognises sustainability as a key driver of long term value creation. We remain steadfast in our commitment to governance, ethical practices and responsible growth, embedding these principles into every aspect of our operations.

With a sharper competitive edge, consistent quality, a more efficient cost structure and a culture of continuous improvement, the Group looks ahead with optimism and determination. Our priorities are clear: to consolidate recent gains, pursue sustainable expansion and strengthen our position in the global glove industry.

Our story of recovery has been well crafted; and our story of growth, only just beginning.



▲ Top Glove's 26th Annual General Meeting held virtually on 15 January 2025

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A TRIBUTE TO DEDICATION, LOYALTY AND RESILIENCE

Recovery is never a solo act. It is powered by a team of dedicated people with unwavering determination and unbreakable spirits, amply demonstrated by:



Our employees who stood resilient in the face of adversity, and laboured earnestly to transform challenges into breakthroughs.



Our Board of Directors who steered with judicious foresight and conviction, ensuring we remained steady yet agile.



Our customers, vendors, shareholders and stakeholders who placed their trust in us even when the road ahead was uncertain, reminding us that we do not walk this journey alone.

We are immensely grateful for your support and share the triumph of our recovery with all of you.

Together, we have endured and prevailed. Now, we rise to shape a future defined by growth, excellence and purpose.

TAN SRI DR LIM WEE CHAI

Executive Chairman
Top Glove Corporation Bhd
25 November 2025

LIM CHEONG GUAN

Managing Director
Top Glove Corporation Bhd
25 November 2025



▲ Participants of Top Glove's Annual Leadership Summit 2025 themed "The End of Our Setback, The Start of Our Comeback"