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PRESS RELEASE

Top Glove Corporation Bhd.

For Immediate Release

VOLUME GROWTH AMIDST COMPETITIVE ENVIRONMENT

Shah Alam, Wednesday, 15 June 2016 – Top Glove Corporation Bhd (“Top Glove” or “the Group” or “the Company”) today announced its results for the Third Quarter (“3QFY16”) ended 31 May 2016, demonstrating volume growth in spite of a challenging environment.

On a 9-month comparison, Top Glove achieved volume growth of 13.8% compared with 9MFY15. Profit After Tax also surged 66.9% to RM297 million, which at the 9-month mark already exceeded the full financial year profit of RM281 million in FY15. Meanwhile, Revenue registered at RM2.17 billion, an increase of 20.3% against the corresponding period in the previous financial year.

For 3QFY16, the Group achieved volume growth of 5% compared with the preceding quarter and 11% year-on-year. However, Profit After Tax declined 13.6% to RM62.8 million compared with 3QFY15. Meanwhile, Revenue came in at RM672 million, growing marginally by 1.7% year-on-year following a lower average selling price and stronger Ringgit.

The Group's softer performance in 3QFY16 came on the back of a strengthening of the Ringgit against the US Dollar (USD) during the quarter in review, as well as significant hikes in raw material prices. While pricing adjustments were made accordingly, there was a time lag of 2 months before the cost increase could be shared out with customers. The adverse impact of the natural gas tariff increase was also felt for the full quarter. Meanwhile, intensive competition in the nitrile glove segment eroded margins and bottomline.

Natural latex prices were on the uptrend, increasing by an average of 14.2% to RM3.94/kg while nitrile latex prices fell slightly by 1% to USD0.95/kg compared with 2QFY16.

As at 31 May 2016, the Group maintained a healthy balance sheet with a net cash position of RM378.5 million.

“We should do better in the next quarter with a more stable Ringgit and raw material prices”, Top Glove’s Executive Chairman, Tan Sri Dr Lim Wee Chai remarked. “However, we prefer not to depend on external factors, but rather focus on internal factors which are within our control. This has enabled us to achieve volume growth even in such challenging times.”

To ensure it is able to meet the strong global demand for rubber gloves, Top Glove will continue to steadily expand its operations, by building new optimised facilities with faster, more efficient and technologically-advanced production lines. Top Glove will commence operations for Factory 27 in Lukut, Port Dickson by July 2016 while the expansion of Factory 6 in Thailand is slated to be completed by August 2016. Its newest facility, Factory 30 in Klang is scheduled to commence production by February 2017, by which time there will be 29 factories, 540 production lines and a total production capacity of 52.4 billion gloves per annum. In addition to organic growth, Top Glove will continue to pursue M&A opportunities that synergise with its current business, in similar or related industries.

Top Glove's proposed secondary listing on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST) is well on track and targeted to be completed on 28 June 2016, barring any unforeseen circumstances, fulfilment of the eligibility-to-list (ETL) conditions and shareholders’ approval for the Proposed Amendments at the EGM on 24 June 2016. The proposed secondary listing is expected to enhance the Company’s investor reach and diversify its investor base, enabling the Company to tap on a new platform for potential future fundraising. It also serves to enhance the visibility of the Company’s profile among international investors, analysts and media. More details are available in the announcement which has been posted at <http://www.bursamalaysia.com/market/listed-companies/company-announcements/5029521>.

Looking ahead, Top Glove expects the economic environment to remain challenging as headwinds persist and competition remains intense in the nitrile glove segment. In addition, there is also the increase in minimum wage which will come into force on 1 July 2016 to contend with.

Nonetheless, it remains upbeat on the glove industry outlook, given that the demand for gloves is resilient and projected to grow healthily at 6% to 8% every year.

“We have delivered a measure of growth in an increasingly difficult business environment. However, we are aware there is room for improvement and aim to do much better. To this end, we will continue to push ourselves to work harder, faster and smarter, towards producing quality gloves at an efficient cost, and ensure we close our financial year on a stronger note.” Tan Sri Dr Lim 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 is one of the component stocks of the FTSE Bursa Malaysia (“FBM”) Mid 70 Index, FBM Top 100 Index, FBM Emas Index, FBM Emas Syariah Index, FTSE Bursa Malaysia Hijrah Shariah Index and FTSE4Good Bursa Malaysia Index. Top Glove is currently the world’s largest rubber glove manufacturer 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 15 June 2016
Number of Factories	27 (22 in Malaysia, 4 in Thailand, 1 in China)
Number of Glove Production Lines	484
Glove Production Capacity	44.6 billion pieces per annum
Number of Employees	10,000
Estimated World Demand	190 billion pieces of gloves for the year 2016