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PRESS RELEASE

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

For Immediate Release

MANAGING WELL DESPITE CHALLENGING TIMES

Shah Alam, Friday, 16 June 2017 – Top Glove Corporation Bhd (“Top Glove”) today announced its financial results for the Third Quarter ended 31 May 2017 (“3QFY17”).

The Group achieved 3QFY17 Sales Revenue of RM869.6 million, an increase of 29.3% year-on-year and up 2.1% compared with 2QFY17. Meanwhile, 3QFY17 Profit After Tax came in higher at RM77.5 million, an improvement of 23.5% year-on-year notwithstanding the spike in both natural rubber latex and nitrile latex prices. However, quarter-on-quarter Profit After Tax eased 6.8% resulting from the time lag in passing on the increase in raw material prices to the customers as well as lower volume sold.

Sales volume (quantity sold) was marginally lower by 1% against 3QFY16 and by 5% compared with 2QFY17, following an increase in average selling price (ASP), resulting from the upsurge in raw material prices, which caused orders to be deferred. However, the Group is optimistic of better sales volume growth in 4QFY17 as raw material prices start to trend downward.

In 3QFY17, the average natural rubber latex price escalated to RM7.06/kg by 79.2% compared with 3QFY16 and 18.6% to compared with 2QFY17. The average nitrile latex price also continued its uptrend to USD1.34/kg, rising 41.1% compared with 3QFY16 and 24.1% compared with 2QFY17. As at today, 16 June 2017, the natural rubber latex price has decreased to RM5.56/kg.

Sales Revenue for 9MFY17 also rose 15.7% to RM2.51 billion, compared with the corresponding period in the previous year. However, Profit After Tax came in at RM234.4 million, softer by 21.1% against 9MFY16, attributed to relatively stronger numbers during 1HFY16 (owing to a stronger US Dollar and lower raw material prices then). Nonetheless, sales volume grew 5% compared year-on-year.

Top Glove's good performance despite unfavourable conditions, was attributed to ongoing improvements throughout its manufacturing process, which enabled the Group to manage its costs efficiently. The Group's good relationship with its customers also allowed the sharing of cost increases.

Tan Sri Dr Lim Wee Chai, Top Glove Corporation Bhd's Executive Chairman remarked, "We have delivered growth in Profit year-on-year, despite sharp increases in manufacturing costs and reduced sales volume. This is attributed to our consistent focus on internal improvements, that have enabled us to manage our costs well and continue producing quality gloves".

To ensure it is well-positioned to leverage the growing global demand for rubber gloves, Top Glove's expansion plans include the construction of 3 new manufacturing facilities in Klang, namely Factory 30 (operational by July 2017), Factory 31 (operational by January 2018) and Factory 32 (operational by December 2018). Upon completion, these factories will boost the Group's total number of production lines by an additional 106 lines and production capacity by 10.6 billion gloves per annum.

In May 2017, the Group also acquired 2 glove factories located in Nilai and Muar with a combined production capacity of 1.1 billion gloves per annum. These acquisitions are in progress and targeted to be completed by August 2017, and expected to pave the way for greater access to the China market. By December 2018, Top Glove is projected to have 31 glove factories, 628 production lines and a production capacity of 59.7 billion gloves per annum. It will also continue to explore synergistic mergers and acquisitions and joint ventures, as well as new set-ups, such as a nitrile latex factory, condom factory and packaging materials (glove inner boxes), as well as other closely related industries, towards enhancing shareholder value.

As at 31 May 2017, the Group maintained a healthy financial position with a positive net cash position of RM95.3 million. Further honouring its commitment to enhance shareholder value, the Group also declared an interim dividend of 6 sen, payable on 17 July 2017.

Top Glove expects the business environment to continue to be challenging, as currency continues to be volatile. However, the Group notes that raw material prices have been declining since May 2017 and expects stronger volume growth in the coming quarter.

Top Glove remains upbeat as Tan Sri Dr Lim asserts, "We have achieved growth amidst a difficult quarter and are confident that as we continue to enhance our quality and cost-down initiatives, we will conclude our financial year on a stronger note".

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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 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 16 June 2017
Number of Factories	30 (25 in Malaysia, 4 in Thailand, 1 in China)
Number of Glove Production Lines	500
Glove Production Capacity	48 billion pieces per annum
Number of Employees	11,000