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# PRESS RELEASE

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

*For Immediate Release*

## TOP GLOVE DELIVERS AN OUTSTANDING QUARTER

*Group achieves for the first time above RM1 billion Sales Revenue within a single quarter*

- *YoY Sales Revenue up 27%*
- *YoY Profit After Tax rises 54%*
- *YoY Sales Volume surges 37%*

**Shah Alam, Tuesday, 19 June 2018** – Top Glove Corporation Bhd (“Top Glove”) today announced its financial results for the Third Quarter (“3QFY18”) ended 31 May 2018, delivering a stellar performance as it continued its upward trend, setting the scene for a strong finish to its financial year.

In 3QFY18, the Group delivered Sales Revenue of RM1.1 billion, a 26.6% increase year-on-year and the first time Top Glove has achieved Sales Revenue of above RM1 billion within a single quarter. Profit Before Tax also rose 46.7% to RM134.2 million and Profit After Tax went up by 54.1% to RM119.4 million compared with 3QFY17. Meanwhile, Sales Volume (Quantity Sold) surged by a record high of 37% in contrast to the corresponding period in FY17.

The Group also demonstrated positive growth in comparison with 2QFY18. Sales Revenue increased by 14.8%, while Profit Before Tax and Profit After Tax grew by 7.8% and 8.5% respectively. Sales Volume also improved by 8% quarter-on-quarter.

On a 9-month basis, the Group attained Sales Revenue of RM3 billion, 19.6% higher than 9MFY17. Profit Before Tax came in at RM380.7 million while Profit After Tax was RM335.3 million, both figures surpassing full year Profit for FY17.

The excellent set of numbers followed increased glove demand, which Top Glove’s balanced product mix is well positioned to cater for. Stronger demand growth stemmed particularly from Asia (where demand growth from India, China and Vietnam exceeded 100% on a 9-month basis), as well as Eastern Europe, Middle East and Latin America.

The stronger glove demand also led to better cost efficiencies resulting from a higher utilisation rate, thereby contributing to the Group's good performance. Top Glove's focus on continuous quality and cost improvement initiatives, and harnessing technological advances to address business challenges also accounted for the improved profitability. Nonetheless, this was offset by a marked increase in the natural gas tariff, while the upward trend in nitrile latex prices compared with 2QFY18 also caused some pricing pressure.

Raw material prices were mixed compared with 2QFY18, with the average nitrile latex price up 8.5% to USD1.15/kg, while the average natural rubber latex price was on the downtrend, easing 0.5% to RM4.38/kg.

Tan Sri Dr Lim Wee Chai, Top Glove Corporation Bhd's Executive Chairman remarked, "We are pleased to have performed exceptionally well this quarter. Our continuously strong results are attributed to increased glove demand and also a testament to the effectiveness of our ongoing internal improvement initiatives, which enable us to keep driving down costs, whilst still delivering the high quality gloves our customers have come to expect of us".

As a growing and dynamic company, Top Glove will continue to expand its manufacturing capabilities, organically as well as through M&As and joint ventures. The construction of Factory 31 (operational by July 2018) and Factory 32 (operational by early 2019) is underway, which upon completion, will increase the Group's total number of production lines by an additional 74 lines and production capacity by 7.4 billion gloves per annum. Meanwhile, Top Glove's condom manufacturing facility is expected to be operational by end June 2018.

The Group completed its acquisition of Aspion Sdn Bhd on 5 April 2018 and integration of the 2 businesses is in progress. In line with the Group's expansion plans, in May 2018, Top Glove also completed its acquisition of Duramedical Sdn Bhd, a company manufacturing and marketing dental hygiene products such as dental dams, for the purchase consideration of RM2.85 million. The exercise represents an initiative to diversify into medical related products catering to its customer base.

The Group's financial position remained healthy as at 31 May 2018, with a healthy working capital position. Consistent with its commitment to enhance the value delivered to shareholders, the Group declared an interim dividend of 7 sen to be paid on 17 July 2018. The Board of Directors also proposed to undertake a bonus issue on the basis of one bonus share for every one existing Top Glove share held, subject to shareholder approval during an extraordinary general meeting to be convened later.

In another development, Top Glove was included as a constituent of the MSCI Global Standard Index effective 1 June 2018, in recognition of its strong and consistent growth.

While the USD shows signs of strengthening, the operating environment is still expected to be challenging. Nonetheless, Tan Sri Dr Lim remains upbeat in terms of outlook.

“In business, challenges will always be there and we must be prepared for them. However, as we continue to undertake quality improvement and cost-saving projects, and leverage advanced technology, I am confident we will be able to conclude our financial year on a healthy and positive 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 MSCI Global Standard Index, 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 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:***

	<b>As at 19 June 2018</b>
Number of Factories	39 (34 in Malaysia, 4 in Thailand, 1 in China)
Number of Glove Production Lines	618
Glove Production Capacity	57.5 billion pieces per annum
Number of Employees	17,000