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PRESS RELEASE

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

For Immediate Release

A HEALTHY START TO FY2019

Top Glove continues to deliver robust growth amidst challenging times

Shah Alam, Monday, 17 Dec 2018 Top Glove Corporation Bhd (“Top Glove”) today announced its financial results for the First Quarter ended 30 November 2018 (“1QFY19”), commencing its new financial year on a strong note despite a challenging environment.

Top Glove achieved 1QFY19 Sales Revenue of RM1.26 billion, representing an increase of 34.5% compared with 1QFY18 and its highest quarterly Sales Revenue to date. Profit Before Tax and Profit After Tax came in at RM141.9 million and RM111.7 million, up 16.3% and 5.5% respectively against the corresponding period last year. The Group also recorded solid Sales Volume (Quantity Sold) growth of 19% year-on-year.

On a quarter-on-quarter comparison, Sales Revenue grew 3.7%, as Sales Volume rose 1%. Meanwhile, Profit After Tax was 8.9% higher than 4QFY18.

Accounting for the Group's robust Sales figures was strong demand growth, which continued to be observed both in developed and emerging markets. Additional capacity available from newly completed factories coupled with higher utilisation, as well as ongoing operational improvements, resulted in better efficiency. Meanwhile, lower average raw material prices also boosted margins and profitability, with EBIDTA margins improving to 16.3% from 16.1% in 1QFY18. However, higher interest costs from the funding for M&As and organic expansion, and a lower contribution from the vinyl glove segment following intensifying competition in the vinyl glove segment as supply from China normalised, resulted in a softer Profit Before Tax margin for this quarter.

Raw material prices were mixed. The average price for natural rubber latex was RM3.78/kg, 24% and 11% lower than 1QFY18 and 4QFY18 respectively. Meanwhile, the average nitrile latex price surged 24% to USD1.26/kg, year-on-year but decreased 4% versus the previous quarter.

Tan Sri Dr Lim Wee Chai, Top Glove Corporation Bhd’s Executive Chairman said, “We have commenced the new financial year 2019 on healthy and positive note. It is not easy to keep delivering

strong results amidst an increasingly challenging operating environment and this is largely the result of our concerted marketing efforts, and ongoing quality and efficiency enhancement programs.”

Top Glove’s expansion plans are on track. In progress is the expansion of several existing facilities: F32 (Phases 1 & 2 to commence operations by 1st quarter and 3rd quarter 2019 respectively), F33 (to commence operations by 4th quarter 2019), F5A (to commence operations by 4th quarter 2019), and F40 (Phases 1 & 2 to commence operations by 4th quarter 2019 and 1st quarter 2020 respectively). Meanwhile, its newest factory F8A in Thailand, is scheduled to be operational 2nd quarter 2020 and Top Glove’s factory in Vietnam (F42), is expected to commence operations by 3rd quarter 2020. These will boost the Group’s total number of production lines by an additional 148 lines and production capacity by 14.8 billion gloves per annum. By December 2020, Top Glove is projected to have 796 production lines and a production capacity of 75.3 billion gloves per annum.

Ongoing efforts are in place to improve the performance of Aspion. The Group’s Engineering, R&D and Human Resources teams, as well as other supporting departments will continue to focus on further enhancement, modification and improvement of the glove production process, leveraging the latest technology and automation, towards ensuring cost efficiency and quality improvement.

A testament to its strong, consistent performance and robust growth in market capitalisation, with a return to shareholders of 9,311% since its listing in 2001, Top Glove will be officially included as a constituent of the FTSE Bursa Malaysia KLCI, a stock market index that lists 30 of the largest companies on Bursa Malaysia by market capitalisation, effective 24 December 2018. Top Glove was also recognised at The Edge’s Billion Ringgit Club Awards held on 11 December 2018, where it received awards for *Highest Return on Equity Over 3 Years*, *Highest Growth in Profit Over 3 Years* and *Highest Return to Shareholders Over 3 Years* under the Healthcare sector. It also won an award at the MSWG Asean Corporate Governance Award 2018 under the Top 50 ASEAN PLCs category, as well as at the Asean Business Awards 2018 under the Priority Integrated Sector (Rubber-based) category.

Employee well-being continues to be a foremost priority at Top Glove. We acknowledge that our people have been instrumental to our success thus far and will continue to be the most important factor in achieving our Fortune Global 500 Dream. We recognise there are areas we can improve on and are committed to doing so, particularly in terms of health and working environment.

Top Glove expects the business environment to continue being challenging in the new year, in view of intensifying competition and cost increases, such as the impending increase in minimum wage effective January 2019. However, it believes industry prospects remain promising given that glove usage is still on the rise, particularly in emerging countries and set to grow by 10% every year.

Tan Sri Dr Lim commented, “We have started our financial year well, with a healthy set of results. I am confident that as we continue to focus steadily on improving our quality and efficiency, as well as

adopting technological advancements across our operations, we can look forward to a very good year ahead”.

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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 Emas Syariah 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:

	As at 17 December 2018
Number of Factories	40 factories (35 in Malaysia, 4 in Thailand, 1 in China) comprising: <ul style="list-style-type: none"> • 32 glove factories • 2 latex concentrate plants • 2 chemical factories • 1 glove former factory • 1 packaging factory • 1 dental dam factory • 1 condom factory
Number of Marketing Offices	2 (1 in Los Angeles, USA and 1 in Duisburg, Germany)
Number of Glove Production Lines	648
Glove Production Capacity	60.5 billion pieces per annum
Number of Employees	18,000