



Top Glove Corporation Bhd

(Company No. 199801018294 [474423-X])

Top Glove Media Contact:

Michelle Voon
wavoon@topglove.com.my
+603-3362 3098 Ext 2228
+6016 668 8336

Investor Contact:

invest@topglove.com.my

PRESS RELEASE

For Immediate Release

TOP GLOVE CORPORATION BHD RECEIVES “AA” RATING FROM MARC

“AA” the highest corporate credit rating assigned to a Malaysian manufacturing company

Shah Alam, Thursday, 23 January 2020 Top Glove Corporation Bhd (Top Glove) has been assigned a corporate credit rating of AA by the Malaysia Rating Corporation Berhad (MARC), the highest rating to be accorded to a Malaysian manufacturing company. This indicates Top Glove’s demonstrated strong revenue growth and net profit, positive cash flow generation, with stable working capital management, backed by strong and sustainable glove demand globally.

Top Glove was also ascribed a strong corporate credit rating of **AA2/Stable/P1** by RAM Rating Services Berhad (RAM), reflecting the company’s entrenched position as the world’s largest glove manufacturer, with an extensive product range and diversified geographical presence. Top Glove’s credit profile is also supported by a strong management team, its fairly-strong debt coverage ratios and resilient demand for rubber gloves.

“The strong credit ratings assigned by the two rating agencies reflect their confidence in the solid business fundamentals of Top Glove and the company’s commitment to strengthening its financial profile. We remain committed to undertaking our business operations sustainably and serving our customers with the utmost integrity,” explains Tan Sri Dr Lim Wee Chai, Executive Chairman of Top Glove.

“For the past 19 years since listing in 2001, Top Glove has achieved a revenue CAGR of 22% and PAT

CAGR of 19%. The strong credit ratings which indicate a promising outlook for Top Glove, will allow the company to tap the debt capital market to diversify its funding sources as it continues to grow its business, whether through organic expansion or acquisitions, in line with the strong market fundamentals of the rubber glove sector,” Tan Sri Dr Lim continued.

Following this, Top Glove on 22 January 2020 lodged a Perpetual Sukuk Wakalah Programme (Perpetual Sukuk Programme) of up to RM3.0 billion with the Securities Commission Malaysia (SC), via Top Glove’s 100% ultimate owned subsidiary TG Excellence Berhad (TGE).

The Perpetual Sukuk Programme provides TGE with the flexibility to issue unsecured and subordinated perpetual sukuk from time to time, subject to the aggregate outstanding nominal amount not exceeding RM3.0 billion at any point in time. Proceeds from the Perpetual Sukuk Programme will be utilised to pare down borrowings, as well as for working capital purposes, investments, capital expenditure or general corporate purposes of the group. All utilisation of proceeds raised under the Sukuk Wakalah shall be Shariah-compliant.

MARC has assigned the Perpetual Sukuk Programme a preliminary **AA-** rating, which is just one notch lower than the **AA** rating accorded to the parent company Top Glove, which provides a subordinated guarantee on the proposed Perpetual Sukuk. Both the **AA** and **AA-**ratings carry a **stable** outlook.

CIMB Investment Bank Berhad and Hong Leong Investment Bank Berhad are the Joint Principal Advisers and Joint Lead Arrangers for the Perpetual Sukuk Wakalah Program, whilst CIMB Islamic Bank Berhad is the Shariah Adviser.

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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, FBM Top 100 Index, FBM Emas Index, FBM Hijrah Syariah Index, FBM Emas Syariah Index, FTSE4Good Bursa Malaysia Index and the Dow Jones Sustainability Index (DJSI) for Emerging Markets. 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:

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