



Top Glove Corporation Bhd

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PRESS RELEASE

For Immediate Release

AN EXCELLENT START TO FY2018 FOR TOP GLOVE

Shah Alam, Tuesday, 19 Dec 2017 – Top Glove Corporation Bhd (“Top Glove”) today announced its financial results for the First Quarter (“1QFY18”) ended 30 November 2017, posting a robust set of numbers as it commenced the new financial year on a solid note.

For 1QFY18, the Group attained its highest-ever quarterly Sales Revenue of RM938.1 million, which represented an increase of 19.4% over 1QFY17 and 4% over 4QFY17. Profit Before Tax increased to RM122 million, an improvement of 35.9% and 23.1% compared with 1QFY17 and 4QFY17 respectively. Also on the uptrend was Profit After Tax, which at RM105.9 million, rose an exceptional 43.9% year-on-year and 12.5% quarter-on-quarter. Meanwhile, Sales Volume (Quantity Sold) demonstrated a healthy growth of 17% against 1QFY17 and 8% against 4QFY17. Nitrile glove sales volume grew the most, compared with 1QFY17 and 4QFY17.

The excellent set of numbers followed strong demand growth stemming from developed and emerging markets, where glove demand is rapidly on the rise. Further contributing to demand was the disruption in vinyl glove supply following China’s strict enforcement against polluting industries which benefited both natural rubber and nitrile glove sales. Internally, new capacity coming onstream, as well as continuous improvement initiatives in terms of automation, better production lines and cost-saving were also instrumental in contributing to the strong performance.

In comparison with 4QFY17, the average natural rubber latex price eased 10% to RM5.00/kg while the

average nitrile latex price was USD1.01/kg, up marginally by 3%. However, raw material prices were on the uptrend compared with 1QFY17, with average natural rubber latex and nitrile latex prices higher by 12.1% and 3% respectively.

Tan Sri Dr Lim Wee Chai, Top Glove Corporation Bhd's Executive Chairman remarked, "We are pleased to have delivered a strong performance once again. It is not easy to do well consistently amidst an increasingly challenging business environment and we credit our commendable results to our ongoing improvement initiatives in the manufacturing process".

To further its growth, Top Glove will continue to expand its operations. Yearly, it will continue to build 1 to 2 factories and its current plans for expansion include the construction of 2 new manufacturing facilities: Factory 31 (operational by May 2018) and Factory 32 (operational by December 2018). Upon completion, this will boost the Group's total number of production lines by an additional 78 lines and production capacity by 7.8 billion gloves per annum. 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. Preparations for Top Glove's condom manufacturing facility have also started, with operations expected to commence by June 2018. Towards expanding more expeditiously and efficiently, Top Glove will also continue to explore mergers and acquisitions, as well as new set-ups in synergistic industries. In tandem, Top Glove will also continue to enhance its product quality and operational efficiency.

In a related development, on 24 November 2017, Top Glove announced that it had entered into a term sheet to negotiate definitive agreements to acquire Aspion Sdn Bhd, upon completion of which Top Glove will emerge the world's largest manufacturer of surgical gloves, in addition to being the world's largest manufacturer of gloves.

"Post-acquisition, Top Glove will also have an enlarged earning base, with the addition of Aspion's new range of surgical glove products incorporated into Top Glove's existing product offering", Tan Sri Dr Lim added.

Notwithstanding its capital outlays, the Group's financial position remained healthy with a positive net cash position of RM80 million as at 30 November 2017.

A testament to its good corporate governance practices, Top Glove also received two awards at the Minority Shareholder Watchdog Group ASEAN Corporate Governance Recognition 2017 held on 6 December 2017, namely the *Merit Award for Most Improved Corporate Governance Disclosure* and *Industry Excellence Award (Manufacturing)*. In addition, Top Glove ranked the 5th most popular employer in Malaysia's 100 Leading Graduate Employers 2017 by GTI Media. We were also the *Winner in the Healthiest Employees* category in the AIA Vitality 2017 awards and received the *Certificate of Excellence* at the Human Resource Development Awards 2017 by HRDF Malaysia. On 3 November 2017, Top Glove was the first private company in Malaysia to obtain the ISO 37001:2016 Anti Bribery Management System certification.

Tan Sri Dr Lim, concludes, "Having begun the new financial year on a solid note, we are inspired to keep up our efforts to improve our quality, costing and efficiency, to ensure we continue to do well throughout FY2018 and beyond".

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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:

