



**Top Glove Corporation Bhd**

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## **PRESS RELEASE**

For Immediate Release

**TOP GLOVE CHARTS HISTORICAL HIGH**

*All-time high in 3QFY15 profit and revenue since listing*

**Klang, Wednesday, 17 June 2015** – Top Glove Corporation Bhd. (“Top Glove”) today announced its results for the Third Quarter ended 31 May 2015 (“3QFY15”), delivering its most stellar performance yet in the Group’s 15-year history since its listing on Bursa Malaysia in March 2001.

Setting a new record, Profit Before Tax came in at an all-time high of RM100.6 million, representing a 44.5% increase compared with the preceding quarter and an 82.6% surge against the corresponding period last year. Also unmatched was Profit After Tax, which registered at RM72.7 million, up 29% and 69% versus 2QFY15 and 3QFY14 respectively.

Meanwhile, Revenue hit RM 661.2 million, charting double-digit growth of an unprecedented 15.6% quarter-on-quarter and 15.2% year-on-year.

Top Glove also posted highly commendable results for 9MFY15. Profit Before Tax was RM229.2 million, which at the 9-month mark, already represents 106% of FY14’s full year achievement, while demonstrating growth of 37.2% against 9MFY14. Net profit for 9MFY15 was RM178 million, rising by 30% from the previous year. Meanwhile, Revenue rose 6.2% to RM1.8 billion against the same period last year.

The impressive growth figures were attributed to higher sales volume, an upturn of almost 10% compared with 2QFY15 and 3QFY14, stemming from continued robust demand for both natural rubber and nitrile gloves. Top Glove is now reaping in fuller measure the benefits of automation and reengineering, as well as

production line upgrading and glove quality improvement initiatives, which it has been embarking intensively on. Another factor significantly contributing to its performance were better margins arising from more advanced and efficient glove factories. Moreover, tailwinds in the form of a stronger US Dollar and softer raw material prices also delivered a boost to its earnings.

Compared with 2QFY15, average natural rubber latex prices increased by 6% to RM3.85/kg while average nitrile latex prices decreased by 7% to USD0.96/kg.

“We are very pleased with our Third Quarter results, which represent a historical high for Top Glove, as well as the entire glove industry”, Top Glove Chairman, Tan Sri Lim Wee Chai observed. “This is a powerful testament to the effectiveness of our internal improvement initiatives and our strategic marketing efforts, which we have pursued vigorously”.

To leverage the strong global demand, Top Glove will continue to expand its production capacity. Its new optimised facilities will feature faster, more efficient and technologically-advanced production lines that enable factories to operate more profitably. Currently in progress are expansion plans for Factory 27 in Lukut, Port Dickson (to be completed by January 2016) and Factory 6 in Thailand (to be completed by July 2016), as well as the construction of a new facility Factory 30 in Klang (to be completed by December 2016) which will respectively bring the number of production lines and capacity to 540 and 52.4 billion gloves per annum. To complement organic expansion, Top Glove is also keenly pursuing M&A opportunities that synergise with its current business, in similar or related industries, with a view to increasing its revenue and profit base.

In keeping with its commitment to deliver shareholder value, Top Glove declared an interim dividend of 8 sen per ordinary share, an increase from 7 sen last year, which is payable on 15 July 2015.

As at 31 May 2015, Top Glove maintained a healthy balance sheet, strengthened by a positive net cash position of RM221.1million.

Notwithstanding an exceptional set of third quarter results, Top Glove is mindful of potential challenges that lie ahead. Prices of raw materials and crude oil are on the uptrend, while competition continues to intensify. Very recently, the government also announced an increase in the natural gas tariff for Peninsular Malaysia’s commercial and industrial sectors effective 1 July 2015. However, Top Glove expects to mitigate the adverse effects with on-going quality and efficiency enhancements, and cost control measures. In terms of outlook, it remains upbeat on industry prospects and believes that as an essential item in the healthcare sector, the demand for gloves will keep growing steadily at a rate of 5% to 6% every year.

Top Glove has determined not to rest on its laurels. “Our commendable performance will not cause us to be complacent”, Tan Sri Lim asserted. “Going forward, we are motivated to work even harder, smarter and faster to maintain our upward momentum and deliver strong full year results.”

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## **About Top Glove Corporation Bhd.**

Top Glove Corporation Bhd. is listed on the Bursa Malaysia Stock Exchange Main Board and is one of the component stocks of the FTSE Bursa Malaysia (“FBM”) Mid 70 Index, FBM Top 100 Index and FBM Emas 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:***

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