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PRESS RELEASE

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

For Immediate Release

TOP GLOVE POSTS STRONGEST FULL FINANCIAL YEAR RESULTS EVER

- ***FY18 Sales Revenue increases 23.6% to RM4.21 billion***
- ***FY18 Profit Before Tax jumps 36.4% to RM522.7 million***

Shah Alam, Thursday, 11 Oct 2018 – Top Glove Corporation Bhd (“Top Glove”) today announced its financial results for the Fourth Quarter (“4QFY18”) and full year ended 31 August 2018 (“FY2018”), once more delivering an unmatched performance for its full financial year 2018.

For FY2018, Top Glove clocked record-breaking Sales Revenue of RM4.21 billion, surpassing the RM4 billion threshold and representing a 23.6% growth from FY2017. Profit Before Tax was also at an all-time high of RM522.7 million, an exceptional increase of 36.4% compared with FY2017, while Sales Volume (quantity sold) reached its peak, surging 26% year-on-year.

Top Glove also delivered a commendable performance for 4QFY18. It achieved Sales Revenue of RM1.22 billion, the Group’s highest ever Sales Revenue attained within a single quarter, a 34.9% increase year-on-year and up 10.6% quarter-on-quarter. Profit Before Tax came in at RM142 million, an improvement of 43.3% compared with 4QFY17. Meanwhile, Sales Volume (quantity sold) grew an exceptionally high 27% versus 4QFY17 and by 6.1% versus 3QFY18. A smaller growth in Profit After Tax was recorded as the income tax provision in 4QFY17 was lower, with FY2017 tax incentives being taken up only in 4QFY17. However, for FY2018, tax incentives were taken up over the 4 quarters.

The Group’s favourable results were attributed to its continuous pursuit of internal improvements. In particular, the application of advanced technology enabled quality and efficiency to be improved considerably, whilst also contributing to a reduction in manpower requirements. Additionally, the strong demand growth also accounted for the higher Sales Revenue, with the resulting higher utilization rate also leading to better Profit Before Tax as well as EBITDA and margins for FY2018.

Raw material prices for FY2018 were mixed. Natural rubber latex prices averaged at RM4.51/kg, down 21.7% against FY2017, while the average nitrile latex price was USD1.13/kg, up 2.7% compared with the previous financial year.

Commenting on the Group's financial results, Tan Sri Dr Lim Wee Chai, Top Glove Corporation Bhd's Executive Chairman said, "We are very pleased to have achieved another historical high with our best full-year performance yet, especially given the challenging operating environment. Our record results underline the effectiveness of our ongoing technology-driven improvement initiatives, which focus on quality and cost efficiency. We also credit our robust results to our high-performing team who are committed to delivering excellence in all they do."

To ensure it is well-positioned to meet the robust global demand for gloves and achieve its ambitious Fortune Global 500 dream, Top Glove will continue to pursue strategic expansion. In progress is the expansion of several existing facilities: F32 (Phases 1 & 2 to be completed early and end 2019 respectively), F33 (to be completed early 2019) and F5A (to be completed end 2019). Meanwhile, its newest factory F8A in Thailand, is scheduled to be operational early 2020. These will boost the Group's total number of production lines by an additional 98 lines and production capacity by 9.8 billion gloves per annum. By 2020, Top Glove is projected to have 746 production lines and a production capacity of 69.1 billion gloves per annum. Top Glove is also looking to expand its operations to Vietnam and has entered into an agreement to acquire a piece of land for a factory which is expected to commence operations within the next 2 years.

In support of its ambitious growth agenda, Top Glove will also continue to explore inorganic expansion via mergers and acquisitions, as well as new set-ups in related industries in order to grow faster and more efficiently.

The Group also proposed to undertake a bonus issue of 1,280,229,124 new ordinary shares in Top Glove Corporation Bhd on the basis of 1 bonus share for every existing Top Glove share held on the entitlement date, which was approved at the EGM held on 10 October 2018. The said EGM also approved a proposal to issue guaranteed exchangeable bonds to raise funds for the repayment of bank borrowings, as well as amendments to the Company's Constitution to facilitate the issuance of bonus shares for the bonus issue.

Underscoring the Group's commitment to enhance shareholder value, the Board recommended a final dividend of 10 sen per share (before bonus issue), subject to shareholders' approval at the upcoming AGM in January 2019. This would bring the total FY2018 dividend payout to 17 sen per share, an increase of 2.5 sen or 17% over FY2017, representing a net profit payout ratio of 50%.

In recognition of its product excellence, Top Glove received the **Most Innovative Award 2018** and **Export Excellence Award 2018** by Malaysian Rubber Export Promotion Council (MREPC). Top Glove was also included in the MSCI Global Standard Index and maintained its inclusion on the FTSE4Good Bursa Malaysia Index, both tributes to its strong, consistent growth and good corporate governance.

Notwithstanding its outstanding performance, Top Glove is mindful of potential challenges ahead which include cost increases and intensifying competition. However, it remains highly optimistic of prospects moving forward, given the steady global glove demand which is set to grow at about 10% yearly.

With an unwavering focus on future growth, Tan Sri Dr Lim remarked: “We have concluded our financial year with another record-high for Top Glove. Far from making us complacent, this has served to raise the bar on our performance and inspire us to do even better to maintain our upward momentum.”

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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:

	As at 11 October 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	17,000