

Media Contact:

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

**Investor Contact:**

See Sook Fong
sfsee@topglove.com.my
+603-3362 3098 (ext. 2233)
+6012 329 1119

PRESS RELEASE

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

For Immediate Release

TOP GLOVE DELIVERS REVENUE GROWTH AMIDST CHALLENGING ENVIRONMENT

Group sees commendable 8% increase in Sales Revenue year-on-year

Shah Alam, Tuesday, 18 June 2019 Top Glove Corporation Bhd (“Top Glove”) today announced its financial results for the Third Quarter ended 31 May 2019 (“3QFY19”), achieving growth in Sales Revenue and Sales Volume notwithstanding a difficult operating environment, characterised by a spike in raw material cost and intense competition.

For 3QFY19, the Group’s Sales Revenue came in at RM1.19 billion, 8.1% higher than 3QFY18 and up 2.6% against 2QFY19. This followed an increase in Sales Volume of 9% versus 3QFY18 and 2% versus 2QFY19, in spite of the challenging environment. However, Profit After Tax eased by 37% and 29.5% year-on-year and quarter-on-quarter respectively to RM75.2 million, attributed to a 22% surge in the price of natural rubber latex compared with 2QFY19, coupled with strong competition. To offset the increase, Top Glove effected upward revisions in its average selling prices, the impact of which will only be reflected in the following quarter (4QFY19), owing to a time lag in the cost pass-through mechanism.

On a 9 months basis, Top Glove attained Sales Revenue of RM3.6 billion, an upturn of 20.5% compared with the corresponding period in FY18, which already amounts to 86% of the total Sales Revenue in FY18. In tandem, Sales Volume also grew 15% compared with 9MFY18. Profit After Tax was RM293.5 million, softer by 12.5%, with the impact of the spike in latex prices cushioned by a stronger performance in the first half of the financial year.

In keeping with its commitment to deliver shareholder value, Top Glove declared an interim dividend of 3.5 sen per ordinary share, payable on 16 July 2019.

Raw material prices for 3QFY19 remained mixed in comparison with the previous quarter. The average natural rubber latex price rose by 22% to RM4.42/kg and reached a peak of RM5.105 on 9 April 2019. Meanwhile, the average nitrile latex price decreased 3.1% to USD 1.05/kg.

Tan Sri Dr Lim Wee Chai remarked, “We have achieved volume growth, although external conditions were highly unfavourable, affecting this quarter’s results. We will continue to focus our resources on

improving our product quality, cost structures and process efficiency, through the adoption of A.I., digitalisation, advanced technology and R&D, rather than external factors which are not within our control.

“As our product is closely linked with a commodity, short-term volatility is to be expected, which may affect our margins during certain financial quarters. However, this is only in the interim. In our business, we expect to perform better in the following quarter and over the longer term”, he continued.

Top Glove is well-positioned to cater to global glove demand, which is projected to grow by at least 10% annually and will continue expanding its operations. Its expansion plans are detailed as follows:

Top Glove's Expansion Plans				
Country	Manufacturing	Operational by (Calendar quarter)	Number of production lines	Capacity (pcs per annum)
Malaysia	F32 New Factory 1 st Phase	2 nd quarter 2019	22 lines	2.2 bn
	F33 New Block	2 nd quarter 2019	12 lines	1.2 bn
	F32 New Factory 2 nd Phase	3 rd quarter 2019	12 lines	1.2 bn
	F2B Refurbishment	4 th quarter 2019	4 lines	0.8 bn
	Total new capacity in 2019		50 lines	5.4 bn
Malaysia	F5A New Factory	1 st quarter 2020	20 lines	2.0 bn
	F40 New Factory 1 st Phase	1 st quarter 2020	22 lines	2.2 bn
	F40 New Factory 2 nd Phase	3 rd quarter 2020	16 lines	1.6 bn
	F42 New Factory 1 st Phase	4 th quarter 2020	48 lines	4.8 bn
Vietnam	F41 New Factory 1 st Phase	2 nd quarter 2020	40 lines	4.0 bn
Thailand	F8A New Factory 1 st Phase	4 th quarter 2020	28 lines	2.8 bn
	Total new capacity in 2020		174 lines	17.4 bn
	Total lines and capacity from expansion		224 lines	22.8 bn
	Existing lines and capacity		648 lines	60.5 bn
	Total by December 2020: 38 glove factories		872 lines	83.3 bn

A testament to its consistently good performance and high standards of corporate governance, Top Glove was recently added to the Hijrah Syariah Index (effective 24 June 2019), following a semi-annual review of the FTSE Bursa Malaysia Index Series, whilst also maintaining its standing as a constituent of the FBM KLCI.

In another development, Top Glove recently launched its flagship green product, *BioGreen Biodegradable Nitrile Gloves (Powder-Free)*, in conjunction with World Environment Day. Developed to safeguard the environment while protecting the user, these gloves are proven to biodegrade at least 10 times faster compared to conventional nitrile examination gloves, thereby providing an “end-of-life solution” to help reduce the accumulation of waste in landfills. In line with its commitment to sustainability, Top Glove will also continue to level up its practices in the ESG space particularly in

terms of labour practices. In recognition of its community outreach efforts, Top Glove was also named *CSR Malaysia Company of the Year (Manufacturing)* in the CSR Malaysia Awards 2019.

Tan Sri Dr Lim concluded, “We have not performed as well as we hoped owing to external factors beyond our control. However, we are positioned to do better in the next quarter to conclude our financial year on a stronger note, which we are confident of achieving in view of the increased product quality, automation and process efficiency we have put in place.”

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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, FTSE4Good Bursa Malaysia Index and will also be included on the Hijrah Syariah Index effective 24 June 2019. 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 18 June 2019
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	6 (Malaysia, USA, Germany, Brazil, China and Thailand)
Number of Glove Production Lines	648
Glove Production Capacity	60.5 billion pieces per annum
Number of Employees	18,000