



Top Glove Corporation Bhd

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PRESS RELEASE

For Immediate Release

ANOTHER RECORD BREAKING PROFIT FOR TOP GLOVE

New historical high attained for profit and revenue

Shah Alam, Thursday, 15 October 2015 – Top Glove Corporation Bhd (“Top Glove”) today announced its results for the Fourth Quarter (“4QFY15”) and full year ended 31 August 2015 (“FY2015”), posting its most outstanding performance ever, surpassing its previous all-time high quarterly results achieved in 3QFY2015.

Exceeding its own record in the previous quarter and full year results, while setting a new high for the glove industry, the Group delivered an unprecedented Profit Before Tax for 4QFY15 at RM134.5 million, an upsurge of 173.4% against 4QFY14, while Profit After Tax increased by 123% to RM103.6 million year-on-year. On a full year basis, Profit Before Tax came in at RM363.7 million, up 68.1% versus FY2014, while Profit After Tax registered at RM281.6 million, an upturn of 53.4% compared with FY2014, topping the previous record high of RM250.4 million in FY2010.

Sales Revenue for 4QFY15 registered at RM709.4 million, 22.5% higher compared with 4QFY2014 and a 7.3% increase over the previous quarter. Top Glove also achieved the highest Sales Revenue for any year in FY2015 of RM2.51 billion, representing a 10.3% increase over FY2014.

The Group also recorded robust growth in sales volume (quantity) of 8%, having strengthened its presence in developed markets where nitrile glove sales increased by more than 27% versus FY2014. Meanwhile, natural rubber gloves sales continued to rise steadily.

The exceptionally good performance was largely attributed to continuous internal quality and cost efficiency improvements which the Group had embarked on, in particular, concerted efforts in automation, R&D and reengineering. Upgrading initiatives resulting in newer and more efficient production lines, as well as glove

quality enhancements also contributed to higher margins. A sustained turnaround in its China operations had a positive effect on the Group's bottomline as well. In addition, Top Glove also benefitted from a strong US Dollar and weak raw material prices. However, in line with industry norms, it has shared the gains with customers and also adjusted its selling price.

Meanwhile, raw material prices remained soft in FY2015 with average latex prices dropping by 17% to RM3.94/kg and average nitrile latex prices decreasing by 2.8% to USD1.05/kg compared with FY2014.

“Our Fourth Quarter and full year financial results represent a new historical high for Top Glove, even better than the record high we set in the Third Quarter. We are very pleased with our performance, as the greatest satisfaction comes from bettering our results continuously.” Tan Sri Lim remarked.

“We view the strengthening US Dollar as a bonus. However, we cannot and do not rely on temporal factors to boost our performance. The only way to enduring success is through an unwavering focus on quality and cost efficiency, which has always been our emphasis, and has once again proven to be the correct direction.” Tan Sri Lim continued.

On the back of strong demand, Top Glove will continue to aggressively pursue capacity expansion, building new optimised facilities that feature faster, more efficient and technologically-advanced production lines towards better profitability. In progress and on track, are expansion plans for Factory 27 in Lukut, Port Dickson (to commence production by February 2016) and Factory 6 in Thailand (to commence production by August 2016), as well as the construction of a new facility, Factory 30 (to commence production by February 2017) 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.

Top Glove Tower, the Group's 23-storey corporate headquarters in Setia Alam, completed in April 2015, was officiated by D.Y.M.M. Sultan of Selangor in a recent grand opening ceremony on 1st October 2015. A *Grade A and Green Building Index (GBI) Certified Gold* office and retail building, constructed to CONQUAS and QCLASSIC quality standards, it will house Top Glove's key departments, towards enhancing quality, communication and operational efficiency.

In line with its commitment to enhance shareholder value, The Board of Directors proposed a final dividend of 12 sen, bringing the total proposed dividend payout to 20 sen, which is a 25% increase over the same last year, subject to shareholders' approval at the upcoming AGM in January 2016. The Group also proposed to undertake a bonus issue of up to 630,697,962 new Top Glove shares on the basis of 1 Bonus Share for every existing Top Glove share held on the entitlement date.

Top Glove's financials remain sound and as at 31 August 2015, the Group maintained a healthy balance sheet and a positive net cash position of RM186.5 million.

In spite of its stellar performance, the Group remains alert to challenges ahead. While the strengthening US Dollar serves as an advantage to the rubber glove industry, its impact will not be permanent. It is also expected that the environment will continue to be competitive as glove players increase their nitrile glove capacity. Nonetheless, Top Glove is upbeat in terms of outlook, reiterating that as an essential item in the healthcare sector, the demand for rubber gloves will keep growing steadily at a rate of 5% to 6% every year.

Notwithstanding its commendable results, Top Glove will not be complacent, but will instead further intensify its efforts, pressing ahead with its on-going quality and efficiency initiatives.

“We have now reset the bar for ourselves at a higher level. Hence, we must work even harder, smarter and faster to improve our quality, costing and service, in order to continue delivering the performance that you have come to expect of us”, Tan Sri Lim affirmed.

About Top Glove Corporation Berhad

Top Glove Corporation Berhad 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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