



TOP GLOVE CORPORATION BERHAD (474423-X)  
TOP QUALITY, TOP EFFICIENCY, GOOD HEALTH,  
SAFETY FIRST & BE HONEST  
[www.topglove.com.my](http://www.topglove.com.my)

## PRESS RELEASE

### TOP GLOVE BEGINS FINANCIAL YEAR 2013 ON SOLID FOOTING

*Financial results for the first quarter ended 30 November 2012*

**Klang, Thursday, 13 December 2012** – Top Glove Corporation Bhd (“Top Glove”) announced today its results for the first quarter ended 30 November 2012 (“1QFY2013”), which saw an upturn in its net profit by 81.5% to RM58.9 million from RM32.5 million in the corresponding quarter of the previous financial year. Revenue meanwhile rose 5.4% to RM584.6 million compared with RM554.8 million recorded a year ago.

Compared with the preceding quarter, Top Glove recorded a pre-tax profit of RM70.4 million in 1QFY2013, exceeding the RM66.6 million in 4QFY2012 by 5.6%. However on a net profit level, there was a contraction of 10.5% from RM65.8 million in 4QFY2012 to RM58.9 million in 1QFY2013. This was mainly attributed to a lower taxation figure in 4QFY2012 on write-back of tax overprovision coupled with recognition of deferred tax asset. Revenue meanwhile declined slightly by 3.7% from RM607.3 million in 4QFY2012 to RM584.6 million despite a growth in the quantity of gloves sold in the current quarter due to lower selling prices in line with easing raw material costs.

The performance in the current quarter was largely attributed to the continuing uptrend in demand, improved operations efficiency and lower raw materials prices. Overall, there is consistent demand growth for rubber gloves derived from the strong support from both the developed and emerging markets. In fact, statistics indicate that healthcare expenditure continues to be on an uptrend in most countries with greater awareness on the importance of hygiene and as demand for higher quality healthcare services escalates.

Latex prices meanwhile continued to trend downwards in line with softer general commodity prices given the uncertain European economic recovery and slowdown in China's economic growth. Latex prices declined by 14% from an average of RM6.76/kg in 4QFY2012 to RM5.83/kg in 1QFY2013.

Top Glove's Group Chairman, Tan Sri Lim Wee Chai commented, "Our on-going automation initiatives such as installation of robotic arm, auto stacking and packing machines on existing as well as new production lines are very much on track. These will serve to increase production efficiency further and reduce labour intensive manpower to address the impending minimum wage policy in 2013."

With a current production capacity of 40.0 billion pieces of gloves per annum, Top Glove's capacity will further increase to 44.8 billion pieces of gloves with 510 production lines by August 2013.

	No. of production lines	Capacity p.a.	Target completion
<b>Current:</b> 21 glove factories	458 lines	40.0 bil pcs p.a.	
<b>Expansion plan :</b>			
F18 (Banting, Malaysia) <i>Phase 2</i>	16 lines	1.5 bil pcs p.a.	April 2013
F25 (Klang, Malaysia) <i>New factory</i>	20 lines	1.8 bil pcs p.a.	June 2013
F23 (Ipoh, Malaysia) <i>Phase 2</i>	16 lines	1.5 bil pcs p.a.	August 2013
Total expansion by August 2013	52 lines	4.8 bil pcs p.a.	
<b>Total by August 2013 : 22 glove factories</b>	510 lines	44.8 bil pcs p.a.	

With the completion of the acquisition of the 95% equity stake in PT Agro Pratama Sejahtera in Indonesia announced previously, the Group is currently in the process of land preparation and is projected to commence its first planting cycle beginning mid-2013. The objective of this investment is to provide future consistent latex supply and also mitigate the price volatility on the Group's financial performance.

"Even with the capital outlay for new production capacity and upstream plantation initiatives, our net cash is still maintained at RM345.9 million as of 30 November 2012", revealed Tan Sri Lim.

Tan Sri Lim added, "In the meantime, we are sharing with our customers on the market situation such as the minimum wage implementation and its impact on production costs and margins. It is good to create awareness so that everyone is always prepared."

### **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 more than 1,000 customers worldwide and exports to more than 185 countries.

*Summary of key information:*

	<b>As at 13 December 2012</b>
Number of Factories	23 (17 in Malaysia, 4 in Thailand, 2 in China)
Number of Glove Production Lines	458
Glove Production Capacity	40 billion pieces per annum
Number of Employees	11,000
Estimated world demand	160 billion pieces of gloves for the year 2012

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