



Top Glove Corporation Bhd

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PRESS RELEASE

For Immediate Release

PUSHING THROUGH CHALLENGING TIMES

Financial results for the second quarter ended 28 February 2014

Klang, Thursday, 20 March 2014 – Top Glove Corporation Bhd (“Top Glove”) today announced the financial results for its second quarter ended 28 February 2014 (“2QFY2014”) which saw revenue ease 4.9% to RM548.27 million from RM576.42 million and net profit contract 17.7% to RM42.2 million from RM51.3 million versus the corresponding period last financial year.

Against 1QFY2014, revenue and profit also came in lower by 4.5% from RM574 million and by 18.7% from RM51.9 million respectively.

The weaker performance was on the back of margin pressure from increased competition. Losses from its China operations amounting to RM5 million, unfavourably impacted the Group’s bottomline as well. Also contributing to the decline were forex losses, arising from previously entered forward contract rates that were lower than prevailing market forex rates.

In terms of raw materials prices, natural latex price declined by 6% to an average of RM4.86/kg while nitrile latex price increased by 3.8% to an average of USD1.09/kg versus 1QFY2014.

On the Group’s performance, Top Glove's Chairman Tan Sri Lim Wee Chai commented: “We have not performed as well as we expected to. However, we have withstood many such cycles in the glove industry since our inception. This temporary setback will drive us to work even harder and smarter to optimise our operational productivity, enhance our cost efficiency and upgrade our product quality, in preparation for better times ahead.”

Meanwhile, the Group remains focussed on pursuing quality expansion and will proceed with plans to add another 6 nitrile glove lines to its existing Factory 27 in Lukut by May 2014, as well as the completion of a new facility (Factory 29) in Klang by December 2014. This will boost the number of production lines from 464 to 484 and increase production capacity from 41.3 billion to 43.5 billion pieces of gloves per annum.

As at 28 February 2014, The Group maintained a net cash position of RM89.2 million and a healthy balance sheet.

The delisting of its 80%-owned subsidiary, Medi-Flex Limited from the Catalist Board of the Singapore Exchange Securities Trading Limited is at its concluding stage. Shareholders' approval for its privatisation was obtained during the Extraordinary General Meeting held on 30 December 2013 and Top Glove Sdn Bhd has also duly exercised its rights of compulsory acquisition. Medi-Flex Limited will be officially delisted from the Singapore Stock Exchange on or around 24 March 2014.

In closing, Tan Sri Lim remarked, "The glove business environment remains challenging. However, with better cost-discipline and cost-optimisation practices in place, coupled with an unwavering focus on quality across all aspects of our operations, we are confident of navigating our way through this challenging time, to deliver an improved performance in the quarters ahead."

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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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