

**HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT  
FOR PERIOD ENDED 28 FEBRUARY 2009**

These figures have not been audited or reviewed

**1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group 6 months Period Ended 28/02/09 RM'000</b>	<b>Group 6 months Period Ended 29/02/08 RM'000</b>	<b>Variance increase/ (decrease) %</b>
Revenue	23,846	29,157	(18%)
Cost of sales	<u>(23,647)</u>	<u>(28,382)</u>	(17%)
Gross profit	199	775	(74%)
Other operating income / (expenses)	406	(605)	167%
Selling and distribution expenses	(540)	(283)	91%
General and administrative expenses	<u>(1,661)</u>	<u>(1,528)</u>	9%
Loss from operations	(1,596)	(1,641)	(3%)
Finance costs	<u>(236)</u>	<u>(778)</u>	(70%)
	(1,832)	(2,419)	(24%)
Share of results of associate	<u>(649)</u>	455	>(100%)
Loss before taxation	(2,481)	(1,964)	26%
Taxation	<u>-</u>	<u>-</u>	0%
Loss after taxation	<u><u>(2,481)</u></u>	<u><u>(1,964)</u></u>	26%
Attributable to :			
Equity holders of the Company	(2,481)	(1,964)	26%
Minority interests	<u>-</u>	<u>-</u>	-
	<u><u>(2,481)</u></u>	<u><u>(1,964)</u></u>	26%

**(ii) The net (loss) / profit attributable to shareholders includes the following (charges) / credits.**

	<b>Group 6 months Period ended 28/02/09 RM'000</b>	<b>Group 6 months Period Ended 29/02/08 RM'000</b>	<b>Variance increase/ (decrease) %</b>
Depreciation	(4,838)	(4,599)	5%
Foreign exchange gain / (loss)	95	(689)	114%
Interest income	25	1	>100%
Interest expenses	(235)	(778)	(70%)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group As At 28/02/09 RM'000	Group As At 31/08/08 RM'000	Company As At 28/02/09 RM'000	Company As At 31/08/08 RM'000
<b>Non-current assets</b>				
Property, plant and equipment	67,647	60,836	-	-
Prepaid land lease payment	6,517	3,774	-	-
<b>Investment</b>				
- subsidiary companies	-	-	96,076	56,554
- associate	9,887	10,037	13,089	13,089
<b>Current assets</b>				
Inventories	10,166	10,302	-	-
Trade and other receivables	3,476	8,655	4	8
Tax recoverable	-	2	-	-
Cash and bank balances	5,157	4,352	1,024	12
	<u>18,799</u>	<u>23,311</u>	<u>1,028</u>	<u>20</u>
<b>Current liabilities</b>				
Trade and other payables	11,890	17,802	383	434
Bank borrowings	415	1,188	-	-
Amount owing to ultimate holding company	10,303	37,592	-	-
	<u>22,608</u>	<u>56,582</u>	<u>383</u>	<u>434</u>
<b>Net current (liabilities) / assets</b>	(3,809)	(33,271)	645	(414)
<b>Net assets</b>	<u>80,242</u>	<u>41,376</u>	<u>109,810</u>	<u>69,229</u>
<b>Equity attributable to equity holders of the company</b>				
Share capital	115,489	74,642	115,489	74,642
Merger deficit	(471)	(471)	-	-
Accumulated losses	(35,780)	(33,299)	(5,679)	(5,413)
Foreign currency translation reserve	1,004	504	-	-
<b>Total equity</b>	<u>80,242</u>	<u>41,376</u>	<u>109,810</u>	<u>69,229</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

	<b>As at 28/02/09 Secured RM'000</b>	<b>As at 31/08/08 Secured RM'000</b>
Hire purchase creditors	415	1,122
Borrowings	-	66
	<u>415</u>	<u>1,188</u>

The borrowings are secured by corporate guarantee provided by the Company and ultimate holding company.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group As At 29/02/09 RM'000</b>	<b>Group As At 31/08/08 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(2,481)	(6,647)
Adjustments for:		
Depreciation	4,538	9,121
Amortisation of prepaid land lease payment	30	48
Net unrealised foreign exchange losses	-	188
Share of results of associate	650	(909)
Write back of impairment of trade debts	0	(497)
(Loss) / Gain on disposal of property, plant & equipment	(15)	83
Write down of inventories	0	58
Operating profit/(loss) before working capital changes	2,722	1,445
Decrease in inventories	136	394
Decrease / (Increase) in receivables	5,176	(3,526)
Decrease in payables	(5,907)	(5,699)
Cash generated from operations	2,127	(7,386)
Tax refund	0	584
<i>Net cash generated from operating activities</i>	<u>2,127</u>	<u>(6,802)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(15,029)	(2,209)
Proceeds from disposal of property, plant and equipment	922	372
<i>Net cash used in investing activities</i>	<u>(14,107)</u>	<u>(1,837)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	40,847	-
Proceeds from term loans and bank borrowings	0	5,599
Repayment of term loans and bank borrowings	0	(9,750)
Repayment of hire purchase creditors	(773)	(1,460)
(Decrease) / Increase due to immediate holding	(27,289)	12,705
<i>Net cash used in financing activities</i>	<u>12,785</u>	<u>7,094</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	805	(1,545)
<b>Cash and cash equivalents at beginning of period/year</b>	4,352	5,897
<b>Cash and cash equivalents at end of period/year</b>	<u>5,157</u>	<u>4,352</u>
Cash at banks and in hand	5,157	4,352
Bank overdrafts	-	-
Cash and banks balances	<u>5,157</u>	<u>4,352</u>

1 (d) (i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<b>Group</b>	<b>Share capital RM'000</b>	<b>Merger deficit RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Foreign currency translation reserve RM'000</b>	<b>Total equity RM'000</b>
Balance at 1 September 2008	74,642	(471)	(33,299)	504	41,376
Issuance of ordinary shares	40,847	-	-	-	40,847
Foreign currency Translation adjustment	-	-	-	500	500
Loss for the financial period	-	-	(2,481)	-	(2,481)
Balance at 28 February 2009	<u>115,489</u>	<u>(471)</u>	<u>(35,780)</u>	<u>1,004</u>	<u>80,242</u>
Balance at 1 September 2007	74,642	(471)	(26,620)	114	47,665
Foreign currency Translation adjustment	-	-	-	390	390
Loss for the financial period	-	-	(6,679)	-	(6,679)
Balance at 31 August 2008	<u>74,642</u>	<u>(471)</u>	<u>(33,299)</u>	<u>504</u>	<u>41,376</u>

<b>Company</b>	<b>Share capital RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total Equity RM'000</b>
Balance at 1 September 2008	74,642	(5,413)	69,229
Issuance of ordinary shares	40,847	-	40,847
Loss for the financial period	-	(266)	(266)
Balance at 28 February 2009	<u>115,489</u>	<u>(5,679)</u>	<u>109,810</u>
Balance at 1 September 2007	74,642	(4,775)	69,867
Loss for the financial period	-	(638)	(638)
Balance at 31 August 2008	<u>74,642</u>	<u>(5,413)</u>	<u>69,229</u>

- 1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash, or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as the end of the corresponding period of the immediately preceding financial year.

On 25 February 2009, 428,676,208 ordinary shares were issued at issuance price of SGD0.04 per share pursuant to the Renounceable Non-Underwritten Rights Issue on the basis of 1 right share for every 1 existing share in the Company held as at the books closure date, fractional entitlements to be disregarded.

- 1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	As at 28/02/2009	As at 31/08/2008
Total number of ordinary shares issued and fully paid	<u>928,676,208</u>	<u>500,000,000</u>

- 1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial year reported on.

Not applicable

- 2 Whether the figures had been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

- 3 Where the figures had been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

The figures have not been audited or reviewed.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statement had been applied.

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compare with those of audited financial statements as at 31 August 2008.

- 5 If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

- 6 Earning per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group As At 28/02/09	Group As At 31/08/08
Loss per share in sen		
I) Basic	0.50	1.33
II) On a fully diluted basis	0.50	1.33

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and  
(b) immediately preceding financial year

	Group As At 28/02/09 RM	Group As At 31/08/08 RM	Company As At 28/02/09 RM	Company As At 31/08/08 RM
Net asset per share in sen	8.64	8.28	11.82	13.84

**A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **Review of operations**

The Group achieved sales revenue of RM23.8 million for the six months period ended 28 February 2009 compared with RM29.2 million for the corresponding period last year. The decline in sales is mainly due to the impact of global economy slowdown which has affected the demand of clean room gloves from the electronics and semi-conductor industries.

Gross profit declined from RM0.78 million to RM0.20 million for the 6 months period as a result of the lower sales and production.

The increased in other operating income is mainly from the disposal of fixed assets and also gain from foreign exchange gain as a result of stronger US dollar, compared with foreign exchange loss in last year same period.

Selling and distribution expenses increased by RM0.26 million as most of the sales during this period is on CIF basis compared with FOB basis last year.

General and administrative expenses increased by RM0.13 million, mainly attributable to writing off of some consumables and fixed assets upon relocating of the operation in its rented factory located at Klang to its existing factory located at Banting.

Finance cost has reduced by 70% to RM0.24 million due to the capitalization of the amount owing to Top Glove Corporation Bhd into paid up capital via the recent completed rights issue exercise.

Share of loss of an associate of RM0.65 million arose from the Company's joint venture-cum-investment in a 35% equity stake in clean room services provider Sonic Clean Pte Ltd, a subsidiary of Unisteel Technology Ltd, which performance has also been affected by the global economy slowdown.

Accordingly, loss after taxation for the six months period ended 28 February 2009 is RM2.48 million compared with RM1.96 million last year same period.

#### **Balance sheet review**

During the period under review, the Group acquired the biomass system, land and building of the Banting factory for a consideration of RM14.765 million, which transactions were completed on 15 January 2009.

Inventories maintained as same level and management will ensure that there is no unnecessary cash being tied up in inventory with better inventory control.

Trade debtors has reduced from RM8.66 million to RM3.48 million, and 78% of the outstanding debts are within 60 days.

The bank borrowings has reduced from RM1.19 million to RM0.42 million as the Group funding mainly came from its holding company. The amount owing to ultimate holding company has reduced due to the capitalization of the amount owing into paid up capital via the recent completed rights issue exercise.

Trade and other payables has reduced from RM17.8 million to RM11.89 million due to settlement of some of the accruals and long outstanding creditors.

#### **Cash Flow Statement**

The Group shows a cash inflows from operations of RM2.13 million compared with cash outflows from operations of RM6.80 million last year. Net cash flows used in investing activities amounted to RM14.11 million and net cash inflows from financing activities was RM12.79 million. The Group has cash in hand of RM5.16 million at the end of the financial year.

**9 Where a forecast, or a prospect statement, had been previously disclosed to shareholders, any variance between it and the actual results.**

The Group has completed the relocation of its rented factory in Klang to its existing factory located in Banting. The Group will ensure that the consolidation of both factories will achieve a better operational control and to improve the quality and cost efficiency of the business.

**10 A commentary at the date of the announcement of the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The on going global economic slowdown and recession has affected the demand of clean room glove from the electronics and semiconductor industries. To avoid over dependence on this sector, the Group has also diverted its sales to non clean gloves, which is more resilient during this period. In addition, the Group will continue with the various cost cutting and quality improvement measures to mitigate and avoid unnecessary losses.

**11 No interim or final dividend is recommended during the financial period.**

**12 If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

**13 Interested Person Transaction.**

Name of interested person:	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	6 months period ended 28/02/09 RM'000	6 months period ended 29/02/08 RM'000	6 months period ended 28/02/09 RM'000	6 months period ended 29/02/08 RM'000
Top Glove Group				
<b>Nature of Transaction</b>				
a. Receipt of financial assistance	-	-	17,325	10,661
b. Purchase of products	-	-	-	268
c. Sale of products	-	-	583	254
d. Sale of raw materials and consumables	-	-	347	-

**BY ORDER OF THE BOARD**

Lee Kim Meow  
Managing Director  
6 April 2009

Statement by Directors  
Pursuant to SGX Listing Rule 705(4)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the half year financial statement for the financial period ended 28 February 2009 to be false or misleading.

On behalf of the Board of Directors

Lee Kim Meow  
Managing Director

Lim Cheong Guan  
Executive Director