

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2010

PART 1-INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR

These figures have not been audited.

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

	Group		Variance increase/ (decrease) %
	6 months Period Ended 28/02/10 RM'000	6 months Period Ended 28/02/09 RM'000	
	Revenue	51,988	
Cost of sales	(44,756)	(23,647)	89%
Gross profit	<u>7,232</u>	<u>199</u>	3,534%
Other income/(expenses)	1,967	406	384%
Selling and distribution expenses	(665)	(540)	23%
General and administrative expenses	(1,957)	(1,661)	18%
Finance costs	-	(236)	N/M
Share of loss of associate	(1,136)	(649)	75%
Profit/(Loss) before taxation	<u>5,441</u>	<u>(2,481)</u>	N/M
Taxation	-	-	N/M
Profit / (Loss) after taxation	<u><u>5,441</u></u>	<u><u>(2,481)</u></u>	N/M
Other comprehensive income/(expenses):			
Foreign currency translation	(207)	500	N/M
Total comprehensive income	<u><u>5,234</u></u>	<u><u>(1,981)</u></u>	N/M
Profit attributable to:			
Equity holders of the Company	5,441	(2,481)	N/M
Minority Interests	-	-	N/M
	<u><u>5,441</u></u>	<u><u>(2,481)</u></u>	
Total comprehensive income attributable to:			
Equity holders of the Company	5,234	(1,981)	N/M
Minority Interests	-	-	N/M
	<u><u>5,234</u></u>	<u><u>(1,981)</u></u>	

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

	Group		Variance increase/ (decrease) %
	6 months Period Ended 28/02/10 RM'000	6 months Period Ended 28/02/09 RM'000	
	Depreciation	(3,557)	
Amortisation of prepaid land lease payments	(42)	(30)	40%
Net foreign exchange gain/(loss)	(94)	95	N/M
Property, plant and equipment written off	(2)	(185)	N/M
Gain on disposal of Property, plant and equipment	2	200	N/M
Interest income	20	25	-20%
Interest expenses	-	(236)	N/M

N/M Not Meaningful

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		Company	
	As At 28/02/10	As At 31/08/09	As At 28/02/10	As At 31/08/09
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	54,048	55,749	-	-
Prepaid Land Lease	6,433	6,475	-	-
Investment				
- subsidiary companies	-	-	57,915	58,264
- associate	4,063	9,366	4,063	9,366
Current assets				
Inventories	6,531	6,882	-	-
Trade and other receivables	9,286	8,926	-	-
Prepayments	230	327	47	28
Cash and bank balances	8,542	3,134	53	70
	24,589	19,269	100	98
Current liabilities				
Trade creditors and other payables	16,608	14,393	342	437
Amount owing to ultimate holding company	-	2,795	-	-
Amount owing to immediate holding company	-	6,380	-	-
	16,608	23,568	342	437
Net current assets / (liabilities)	7,981	(4,299)	(242)	(339)
Net assets	72,525	67,291	61,736	67,291
Equity attributable to equity holders of the company				
Share capital	115,360	115,360	115,360	115,360
Merger deficit	(471)	(471)	-	-
Accumulated losses	(42,975)	(48,416)	(53,624)	(48,069)
Foreign currency translation reserve	611	818	-	-
Total equity	72,525	67,291	61,736	67,291

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

Not applicable

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

	Group As At 28/02/10 RM'000	Group As At 28/02/09 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	5,441	(2,481)
Adjustments for:-		
Depreciation	3,557	4,538
Share of loss of associate	1,136	649
Impairment loss on investment in associate	3,960	-
Gain on disposal of Property, Plant and Equipment	(2)	(15)
Write down of Property, Plant and Equipment	2	-
Amortisation of prepaid land lease payments	42	30
Operating cash flows before working capital changes	<u>14,136</u>	<u>2,721</u>
Decrease in inventories	351	136
Increase in debtors	(263)	5,176
Decrease in creditors	<u>(580)</u>	<u>(5,907)</u>
Cash flows generated from operations	13,644	2,126
Tax (paid)/ refund	-	-
<i>Net cash flows from operating activities</i>	<u><u>13,644</u></u>	<u><u>2,126</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,119)	(15,029)
Proceeds from disposal of property, plant and equipment	<u>263</u>	<u>922</u>
<i>Net cash flows used in investing activities</i>	<u><u>(1,856)</u></u>	<u><u>(14,107)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) / Increase in amount due to immediate holding company	(6,380)	12,735
Proceeds from right issue	-	824
Repayment of hire purchase creditors	-	(773)
<i>Net cash flows from financing activities</i>	<u><u>(6,380)</u></u>	<u><u>12,786</u></u>
NET DECREASE IN CASH AND BANK BALANCES	5,408	805
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	3,134	4,352
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	<u><u>8,542</u></u>	<u><u>5,157</u></u>
Cash at banks and in hand	<u>8,542</u>	<u>5,157</u>
Cash and bank balances at end of financial period	<u><u>8,542</u></u>	<u><u>5,157</u></u>

1 (d) (i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other 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.

Group	Share capital RM'000	Merger deficit RM'000	(Accumulated loss) / revenue reserve RM'000	Foreign currency translation reserve RM'000	Total equity RM'000
Balance at 1 September 2008, as previously reported	74,642	(471)	(33,299)	504	41,376
Prior Year adjustment	-	-	(6,606)	-	(6,606)
Balance at 1 September 2008, as restated	<u>74,642</u>	<u>(471)</u>	<u>(39,905)</u>	<u>504</u>	<u>34,770</u>
Comprehensive income for the period	-	-	(2,481)	500	(1,981)
Issuance of ordinary shares	<u>40,847</u>	-	-	-	<u>40,847</u>
Balance at 28 February 2009	<u><u>115,489</u></u>	<u><u>(471)</u></u>	<u><u>(42,386)</u></u>	<u><u>1,004</u></u>	<u><u>73,636</u></u>
Balance at 1 September 2009	115,360	(471)	(48,416)	818	67,291
Comprehensive income for the period	-	-	5,441	(207)	5,234
Balance at 28 February 2010	<u><u>115,360</u></u>	<u><u>(471)</u></u>	<u><u>(42,975)</u></u>	<u><u>611</u></u>	<u><u>72,525</u></u>
Company			(Accumulated Loss) / revenue reserve RM'000	Foreign currency translation reserve RM'000	Total Equity RM'000
Balance at 1 September 2008	74,642	-	(5,413)	-	69,229
Comprehensive income for the period	-	-	(266)	-	(266)
Issuance of ordinary shares	<u>40,847</u>	-	-	-	<u>40,847</u>
Balance at 28 February 2009	<u><u>115,489</u></u>	<u><u>-</u></u>	<u><u>(5,679)</u></u>	<u><u>-</u></u>	<u><u>109,810</u></u>
Balance at 1 September 2009	115,360	-	(48,069)	-	67,291
Comprehensive income for the period	-	-	(5,555)	-	(5,555)
Balance at 28 February 2010	<u><u>115,360</u></u>	<u><u>-</u></u>	<u><u>(53,624)</u></u>	<u><u>-</u></u>	<u><u>61,736</u></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.

Not applicable.

- 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 28/02/2010	As at 31/08/2009
Total number of ordinary shares issued and fully paid	928,676,208	928,676,208

- 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 period reported on.

Not applicable

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

The figures have not been audited or reviewed by the company's auditors.

- 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 by the company's auditors.

- 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 2009.

- 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.

The Group has adopted the new and Revised Singapore Financial Reporting Standards ("FRS") that are mandatory for financial years beginning on or after 1 January 2009, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there are no material impacts on the retained earnings of the Group as at 1 September 2009.

- 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 28/02/10	Group As At 28/02/09
Earnings / (Loss) per share (EPS) in sen		
I) Basic	0.59	(0.50)
II) On a fully diluted basis	0.59	(0.50)

- 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 28/02/10 RM	Group As At 31/08/09 RM	Company As At 28/02/10 RM	Company As At 31/08/09 RM
Net asset per share in sen	7.81	7.25	6.65	7.25

8 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

Revenue of the Group increased by 118% from RM23.85 million for the 6 months ended 28 Feb 2009 ("1HFY09") to RM51.99 million for the 6 months ended 28 Feb 2010 ("1HFY10"). The Group's gross profit increased by RM7.03 million to RM7.23 million in 1HFY10, from RM0.20 million in 1HFY09. The Group has shown a strong revenue and profit growth as it managed to capture additional market share, increased its utilisation rate and implemented various costs saving measures, improvements in product quality, productivity, as well as adopted aggressive marketing strategies.

Other operating income consist of RM5.76 million received from the settlement of claim filed in relation to the acquisition of certain factory equipment which were offset by impairment loss on the associated company of RM3.96 million.

There was no finance cost as the Group had fully repaid the loans due to banks and also the advances from related companies.

Share of loss of associate of RM1.1 million arose from the Company's joint venture-cum-investment in a 35% equity stake in clean room services provider Sonic Clean Pte Ltd, whose performance has been affected by the global economy slowdown. Apart from the one board representation, the Company is not involved in the daily running of the operation of Sonic Clean Pte Ltd.

Balance sheet review

The reduction in investment in associate is mainly due to the RM3.96 million impairment loss and RM1.14 million current period losses.

The Group cash balance has increased by RM5.41 million due to its strong performance. It has also fully settled the amount owing to the holding company.

At the end of 1HFY10, the Group has total net current assets of RM7.98 million as compared to 1HFY09 of net current liabilities of RM4.30 million.

The cash inflow from operations has improved to RM13.64 million compared with RM2.13 million in 1HFY09. Net cash flows used in investing activities amounted to RM1.86 million and net cash outflows from financing activities was RM6.38 million. The Group has cash in hand of RM8.54 million at the end of 1HFY10.

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 shown improvement and profit in its operating performance as a result of higher utilisation and focusing more on medical related gloves.

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 Group expects the business environment to remain challenging given the increasing raw materials prices coupled with the appreciation of Ringgit Malaysia. To cater for the increasing glove demand, the Group also is in the process of increasing its capacity by the addition of 8 production lines, expected to be completed by this financial year ended 31 August 2010.

The Group will continue to focus on improving glove quality and efficiency so as to work towards better results.

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 28/02/10 RM'000	6 months period ended 28/02/09 RM'000	6 months period ended 28/02/10 RM'000	6 months period ended 28/02/09 RM'000
Top Glove Group				
Nature of Transaction				
a. Receipt of financial assistance	-	-	-	17,325
b. Repayment of advance	-	-	2,795	-
c. Purchase of Products	-	-	1,673	-
d. Sale of Products	-	-	27,841	583
e. Sale of Raw Materials and Consumables	-	-	-	347

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 2010 to be false or misleading.

BY ORDER OF THE BOARD

Lee Kim Meow
Managing Director

Statement by Directors
Pursuant to Rule 705(5) of Section B : Rules of Catalyst of the SGX-ST Listing Manual

On behalf of the Board of Directors

Lee Kim Meow
Managing Director

Lim Cheong Guan
Executive Director

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CNP Compliance Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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