



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

## *Press Statement*

**Financial Results for the Financial Year ended August 31, 2010**

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### **Highlights :**

- 1) **Profit after Tax** for the Financial Year ended Aug 31, 2010 rose **49%** to RM250 mil from RM168 mil last year.
- 2) **Revenue** for the Financial Year ended Aug 31, 2010 rose **36%** to RM2.08 bil from RM1.53 bil last year.
- 3) **EPS** for the Financial Year ended Aug 31, 2010 stood at 39.8 sen, up **42%** from 28.0 sen last year.
- 4) Total **dividend** of 16 sen per share amounting to RM98.8 mil, up **45%** from last year's total dividend of 11 sen per share (after adjusting for one-for-one bonus issue).
- 5) Continuously strong & healthy balance sheet with **net cash** position of **RM299.5 mil** as at 31 August, 2010.

### ***Record revenue and profit after tax of over RM2 bil and RM250 mil respectively, but cautious over headwinds***

**Klang, Oct 6, 2010** – Top Glove Corporation Bhd (Top Glove) today announced a record sales revenue of RM2.08 billion and a record profit after tax of RM250 million for the financial year ended 31 August 2010 (FY2010). Top Glove's FY2010 revenue of RM2.08 billion was an increase of 36% from RM1.53 billion last year while profit after tax of RM250 million rose 49% from RM168 million.

Top Glove's strong sales performance was attributed to strong demand for gloves from the healthcare sector and emerging markets, which demand for gloves is expected to continue to register double digit growth.

In line with the higher demand, the Group has increased its capacity during the financial year just ended.

The Group's profit after tax for FY2010 was 49% higher due to higher sales and improved margins.

For the fourth quarter ended 31 August 2010 (4QFY10), sales revenue was 28% higher at RM541 million compared with RM424 million recorded in the corresponding period last year.

Meanwhile, profit after tax for 4QFY10 declined 16% to RM46 million from RM55 million a year ago despite higher sales due to normalised demand and oversupply of capacity situation. This was further aggravated with persistently high latex prices and weakening of USD, which affected the Group's revenue and profit margins.

Todate, latex price has increased by around 55% and USD has weakened against RM by around 13% since beginning of the financial year 2010 (12 months ago).

The Group announced a final dividend of 9 sen per share, bringing to a total of 16 sen per share, up 45% from last year's total dividend of 11 sen per share (after adjusting for one-for-one bonus issue).

Top Glove's balance sheet position was further strengthened with a net cash position of RM299.5 mil and free cash flow of RM131.6 million as at 31 August, 2010.

"I am pleased to announce that Top Glove has continued its growth momentum and chalked up a very solid performance in the financial year just ended despite operating in a tougher environment. While the glove industry is now undergoing some headwinds with high latex prices and depreciating US dollar, we are confident the Group will be able to weather through the challenges on the back of a strong financial balance sheet and vast experience of the efficient, healthy and prudent management team, who has been through many cycles in the glove industry," said Top Glove chairman Tan Sri Dato Sri Lim Wee Chai.

On the outlook moving forward, Top Glove remains cautious as demand normalizes coupled with excess capacity situation. As such, consolidation is expected to take place among the industry players.

Nevertheless, Top Glove is committed to strengthening its leadership position within the rubber glove industry through continued focus on enhancing its quality through research and development, innovation, manufacturing process re-engineering, relentless cost reduction and running its business with honesty, integrity and transparency.

“Given the demanding environment and barring unforeseen circumstances, we maintain our expectation that the next financial results will be satisfactory at best underpinned by continued demand for gloves,” Tan Sri Lim concluded.

Please refer to attached file for additional information on Top Glove’s performance.

For more information on Top Glove Corporation Berhad’s, please visit [www.topglove.com.my](http://www.topglove.com.my)

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**About Top Glove Corporation Berhad:**

Top Glove Corporation Berhad was listed on the Second Board of the Kuala Lumpur Stock Exchange in 2001 and was transferred to the Main Board on May 16, 2002. The company 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 good and established corporate culture and business direction of consistently producing top quality gloves at efficient low cost. Top Glove has more than 900 customers worldwide and exports to more than 180 countries.

*Summary of key information :*

	<b>As at 31<sup>st</sup> August 2010</b>
Number of Factories	20 (14 in Malaysia, 4 in Thailand, 2 in China)
Number of Glove Production Lines	379
Glove Production Capacity	33.75 billion pcs per annum
Number of Employees	10,900
Estimated world demand	150 billion pcs of gloves for the year 2010

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6<sup>th</sup> October, 2010

<b>SUMMARY OF CURRENT &amp; HISTORICAL PERFORMANCE</b>
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**CURRENT**

Results for the Financial Year ended 31 August 2010

- 1) Summary of Income Statement
- 2) Strong and healthy balance sheet
- 3) On-going expansion plans

**HISTORICAL TREND**

- 4) Consistent growth in revenue with compounded annual growth rate of 36%
- 5) Strong growth in net profit with compounded annual growth rate of 37%
- 6) Financial results of the Group since listing
- 7) Dividends

## **CURRENT:**

### **Results for the Financial Year ended 31 August 2010**

#### **1) Summary of Income Statement :**

	12 months			3 months		
	FY ended 31 Aug 2010	FY ended 31 Aug 2009	Variance	4Q10 ended 31 Aug 2010	4Q09 ended 31 Aug 2009	Variance
Sales (RM mil)	2,079	1,529	36%	541	424	27%
Profit before Tax (RM mil)	306	222	38%	42	79	(53%)
Net profit (RM mil)	250	168	49%	46	55	(16%)
Earnings per share (sen)	39.8	28.0	42%	7.3	9.4	(22%)

#### **2) Strong and healthy balance sheet :**

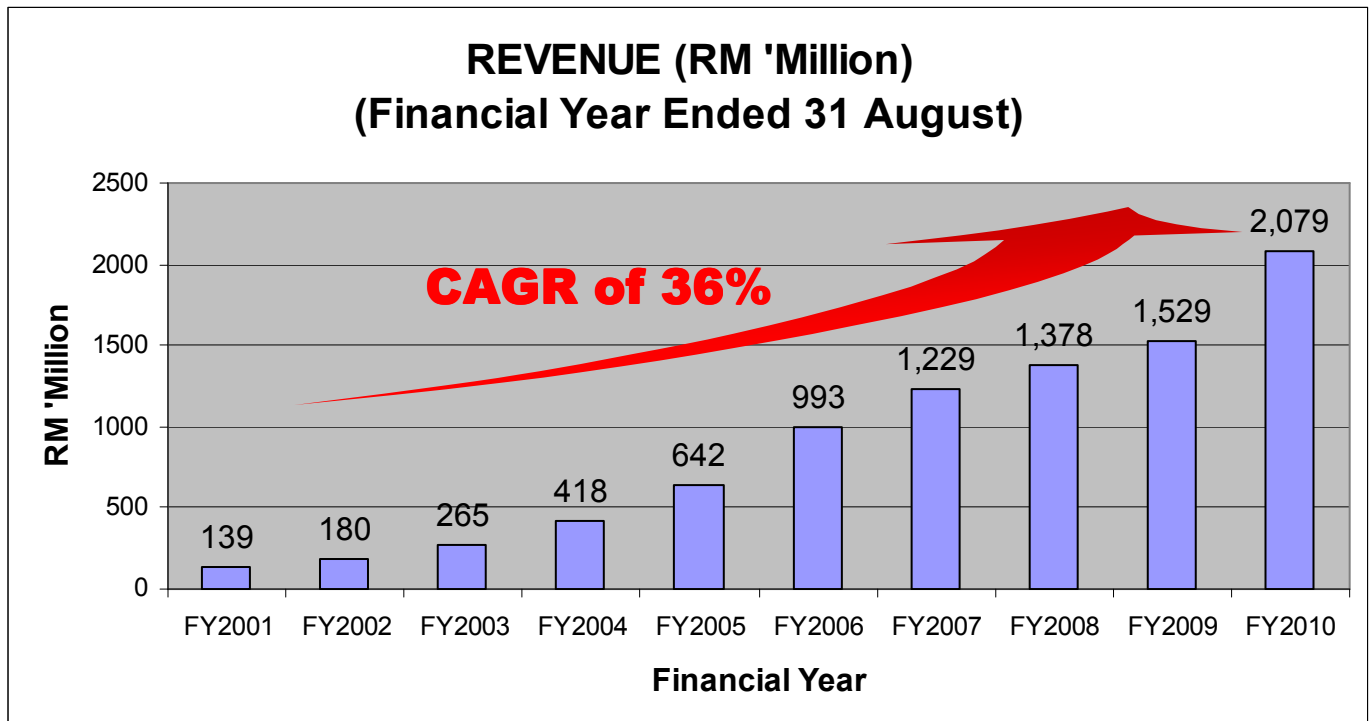
	As at 31 Aug 2010	As at 31 Aug 2009	Variance
	(RM'million)	(RM'million)	(%)
Total cash in banks	303.1	185.8	63%
Total borrowings	3.6	20.5	(82%)
Net cash	299.5	165.3	81%
Net cash flow from operating activities	216.3	321.4	(40%)
Free cash flow	131.6	254.3	(56%)
Shareholders equity	1,117.5	846.0	32%
Net assets per share (RM)	1.8	1.4	29%

#### **3) On-going expansion plans :**

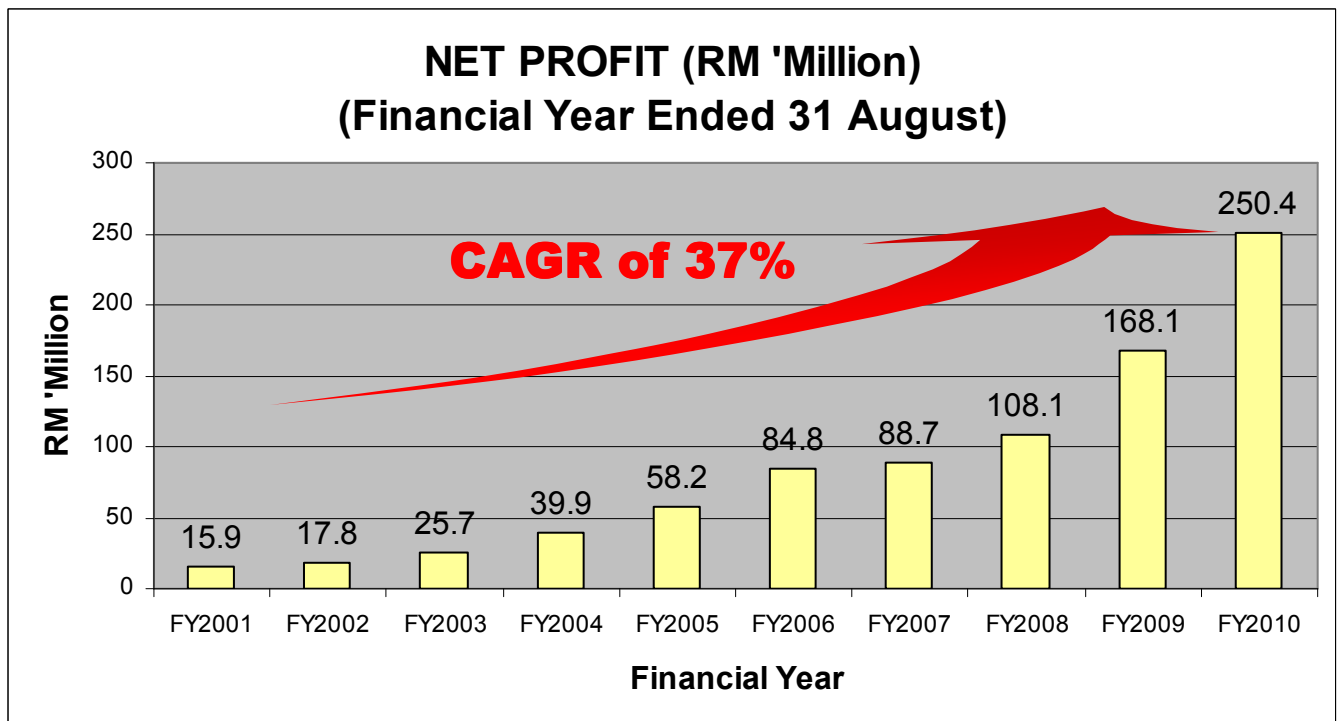
<b>Factory</b>	<b>Location</b>	<b>No. of additional lines</b>	<b>Capacity p.a</b>	<b>Target completion</b>
Factory 21	Klang, Malaysia	16	1.5 billion pcs	November 2010
Factory 7	Sadao, Thailand	16	1.5 billion pcs	February 2010
Factory 22	Klang, Malaysia	16	1.5 billion pcs	May 2011
Factory 23	Ipoh, Malaysia	32	3.0 billion pcs	August 2011
<b>Total</b>		<b>80</b>	<b>7.5 billion pcs</b>	

**HISTORICAL TREND:**

4) Consistent growth in revenue with compounded annual growth rate of 36%



5) Strong growth in net profit with compounded annual growth rate of 37%



**6) Financial results of the Group since listing :**

RM'mil	Financial year ended 31 August									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 (unaudited)
Revenue	138.9	180.2	265.1	418.1	641.8	992.6	1,228.8	1,377.9	1,529.1	2,079.4
EBITDA	23.9	27.1	39.5	60.6	89.2	130.3	175.7	197.8	287.5	365.7
EBITDA margin	17.2%	15.0%	14.9%	14.5%	13.9%	13.1%	14.3%	14.4%	18.8%	17.6%
PBT	17.2	20.2	29.3	45.2	65.7	91.8	118.6	134.6	222.0	306.0
PBT margin	12.4%	11.2%	11.1%	10.8%	10.2%	9.2%	9.7%	9.8%	14.5%	14.7%
Taxation	1.3	2.4	3.6	5.3	7.5	7.0	29.9	26.5	53.9	55.6
PAT	15.9	17.8	25.7	39.9	58.2	84.8	88.7	108.1	168.1	250.4
PAT margin	11.4%	9.9%	9.7%	9.5%	9.1%	8.5%	7.2%	7.8%	11.0%	12.0%



## 7) Dividends

The Group target dividend payout ratio is 40% from net profit attributable to equity.

Financial Year	Net Dividend per share (sen)	Total Dividend (RM'000)	Status
2010	9.00 (final)	55,634	Proposed
	7.00 (1 <sup>st</sup> interim)	43,225	Paid
2009	11.00	65,872	Paid
2008	5.50	32,389	Paid
2007	4.61	27,435	Paid
2006	3.45	21,173	Paid
2005	2.19	14,110	Paid
2004	2.06	12,295	Paid
2003	1.53	9,550	Paid
2002	0.46	2,808	Paid
2001	0.66	4,000	Paid
Total		288,491	

Note : Net dividend per share has been adjusted to reflect :

- Subdivision of shares from one ordinary share of RM1.00 to two ordinary shares of RM0.50 each which was completed in February 2005.
- Bonus issue of 30% in April 2002, 40% in April 2003, 40% in February 2007 and 100% in July 2010.

