



TOP GLOVE CORPORATION BHD.

TOP QUALITY, TOP EFFICIENT & GOOD HEALTH

(Company No. 474423-X)

Public Listed Company on Bursa Malaysia Main Market

The World's Largest Rubber Glove Manufacturer

Lot 4969, Jalan Teratai, Batu 6, Off Jalan Meru,

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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2009

	Current Quarter Ended	Corresponding Quarter Ended	Cumulative Year To Date	Corresponding Year To Date
	30-Nov-2009	30-Nov-2008	30-Nov-2009	30-Nov-2008
	RM'000	RM'000	RM'000	RM'000
Revenue	472,300	386,076	472,300	386,076
Operating Expenses	(387,191)	(341,444)	(387,191)	(341,444)
Other Operating Income	2,106	1,540	2,106	1,540
Profit From Operations	87,215	46,172	87,215	46,172
Finance Costs	(398)	(2,718)	(398)	(2,718)
Share of profit from associate	(174)	(156)	(174)	(156)
Profit Before Taxation	86,643	43,298	86,643	43,298
Taxation	(20,095)	(8,783)	(20,095)	(8,783)
Profit For The Year	66,548	34,515	66,548	34,515
Profit Attributable to :				
Equity Shareholder of the Company	65,208	34,159	65,208	34,159
Minority Interest	1,340	356	1,340	356
	66,548	34,515	66,548	34,515
Earnings Per Share (sen)				
Basic	21.94	11.60	21.94	11.60
Diluted	21.70	11.56	21.70	11.56

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 August 2009

TOP GLOVE CORPORATION BHD.

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2009**

	Unaudited as at 30-Nov-2009 RM'000	Audited as at 31-Aug-2009 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	562,722	564,380
Prepaid Land Lease Payment	14,020	14,200
Investment in Associates	8,959	9,366
Other Investment	12,853	12,853
Goodwill on Consolidation	20,113	20,113
	618,667	620,912
Current Assets		
Inventories	127,613	119,053
Trade Receivables	195,882	198,263
Other Receivables and Deposits	18,171	8,333
Cash and Bank Balances	237,059	185,848
	578,725	511,497
Total Assets	<u>1,197,392</u>	<u>1,132,409</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	152,637	151,879
Share premium	252,115	243,677
Treasury shares	(38,427)	(38,427)
Retained profit	510,628	445,420
Foreign exchange reserves	2,363	10,581
Others	9,475	11,383
	888,791	824,513
Minority Interest	22,663	21,464
Total Equity	<u>911,454</u>	<u>845,977</u>
Non-Current Liabilities		
Long Term Borrowings	3,792	8,960
Deferred Taxation	36,427	33,413
	40,219	42,373
Current Liabilities		
Trade Payables	131,459	92,430
Other Payables and Accruals	81,489	104,554
Short Term Borrowings	11,253	11,573
Dividend Payable	-	20,781
Tax Payable	21,518	14,721
	245,719	244,059
Total Liabilities	285,938	286,432
Total Equity and Liabilities	<u>1,197,392</u>	<u>1,132,409</u>
Net Tangible Assets per share (RM)	2.920	2.719
Net Assets per share (RM)	2.986	2.785

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2009

	Attributable to Equity Holders of the Company						Minority Interest	Total Equity	
	Share Capital	Share Premium	Non distributable		Others	Distributable Retained Profits			Total
			Treasury Shares	Foreign Exchange Reserve					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
3 Months Ended 30 November 2009									
Balance as at 01 September 2009	151,879	243,677	(38,427)	10,581	11,383	445,420	824,513	19,741	844,254
Movement during the period	-	-	-	-	269	-	269	-	269
Profit for the period	-	-	-	-	-	65,208	65,208	1,340	66,548
Exchange fluctuation reserve	-	-	-	(8,218)	-	-	(8,218)	1,582	(6,636)
ESOS share subscription during the year	758	8,438	-	-	(2,177)	-	7,019	-	7,019
Balance as at 30 November 2009	152,637	252,115	(38,427)	2,363	9,475	510,628	888,791	22,663	911,454
3 Months Ended 30 November 2008									
Balance as at 01 September 2008	150,532	230,193	(38,427)	6,262	1,388	317,100	667,048	19,741	686,789
Movement during the period	-	-	-	-	2,801	-	2,801	-	2,801
Profit for the period	-	-	-	-	-	34,159	34,159	356	34,515
Exchange fluctuation reserves	-	-	-	2,572	-	-	2,572	184	2,756
Balance as at 30 November 2008	150,532	230,193	(38,427)	8,834	4,189	351,259	706,580	20,281	726,861

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 August 2009

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2009**

	Current Year To Date Ended 30-Nov-2009	Corresponding Year To Date Ended 30-Nov-2008
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	86,643	43,298
Other adjustment	15,087	14,038
Operating profit before changes in working capital	<u>101,730</u>	<u>57,336</u>
Changes in working capital		
Net change in current assets	(16,017)	29,167
Net change in current liabilities	13,114	(17,660)
Cash flows from operating activities	<u>98,827</u>	<u>68,843</u>
Tax paid	(10,284)	(5,123)
Net cash flows from operating activities	<u>88,543</u>	<u>63,720</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,082)	(21,518)
	<u>70,461</u>	<u>42,202</u>
Cash flows from financing activities		
Dividend paid	(20,781)	(14,722)
Increase in share capital	7,019	-
Repayment of borrowings	(5,488)	(6,056)
Net change in cash and cash equivalents	<u>51,211</u>	<u>21,424</u>
Cash and cash equivalents at beginning of year	185,848	120,470
Cash and cash equivalents at end of period	<u><u>237,059</u></u>	<u><u>141,894</u></u>
Breakdown of cash and cash equivalents at end of period		
Bank and cash balances	237,059	142,287
Bank overdraft	-	(393)
	<u><u>237,059</u></u>	<u><u>141,894</u></u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 August 2009



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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2009

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Securities.

The interim financial report should be read in conjunction with the audited financial statements for the Group for the financial year ended 31 August 2009. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2009.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 August 2009.

2. Auditors' report

The audited financial statements for the financial year ended 31 August 2009 was not subject to any qualification.

3. Seasonal or cyclical factors

The operations of the Group were not affected by any seasonal or cyclical factors in view of its well-diversified world markets and the nature of the Company's products being disposable gloves.

4. Extraordinary and exceptional items

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial report ended 31 August 2009.

5. Changes in estimates of amounts reported previously

There were no material changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current financial year to-date.

6. Debts and equity securities

On 1 August 2008, the Company implemented the 2nd Employee Share Option Scheme ("ESOS II"), which is for duration of 10 years. During the current quarter ended 30 November 2009, a total of 1,515,250 new ordinary shares of RM0.50 each were issued and allotted pursuant to the exercise of the ESOS II. The details of the issued and paid-up capital of the Company as at 30 November 2009 are as follow :-

	No. of shares	RM
As at 31 August 2009	303,758,581	151,879,291
Ordinary shares issued pursuant to the ESOS	1,515,250	757,625
As at 30 November 2009	305,273,831	152,636,916

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUG 2009 (CONTINUED)

6. Debts and equity securities (cont'd)

Other than the above, there were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares for the current financial year-to-date.

7. Dividends paid

For the financial year ended 31 August 2009, the Company :-

- i) On 16 September 2009, paid an interim dividend of 14% (single tier) amounting to RM20.78 million.
- ii) On 8 October 2009, a final dividend of 18% (single tier) amounting to approximately RM26.86 million and a special dividend of 12% (single tier) amounting to approximately RM17.90 million for the financial year ended 31 August 2009 was proposed. The proposed final and special dividend are subject to shareholders' approval in the forthcoming Annual General Meeting on 12 January 2010.

The total dividend paid and proposed by the Company in respect of financial year ended 31 August 2009 is 44% represented by a net payment of approximately RM65.54 million.

For the financial year ended 31 August 2008, the Company :-

- iii) On 16 September 2008, paid 1st interim dividend of 10% (tax exempt) amounting RM14.72 million.
- iv) On 16 March 2009, the Company paid a final dividend of 12% (single tier) amounting to RM17.67 million which were approved in the Company's Annual General Meeting held on 13 January 2009

The total dividend paid by the Company in respect of the financial year ended 31 August 2008 was 22% represented by a net payment of RM32.39 million.

Record of dividends paid :

Financial Year	Dividend % (on par value)	Dividend per share (sen)	Total Dividend (RM'000)
2009	14% (1 st interim)	7	20,781
2008	22%	11	32,389
2007	20%	10	27,435
2006	18%	9	21,173
2005	16%	8	14,110
2004 *	14%	7	12,295
2003 *	12%	6	9,550
2002 *	6%	3	2,808
2001 *	8%	4	4,000
Total			144,541

* Dividend per share has been adjusted to reflect the subdivision of shares from one ordinary share of RM1.00 to two ordinary shares of RM0.50 each which was completed in February 2005.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUG 2009 (CONTINUED)

8. Segmental reporting

a. Primary reporting segment – Geographical segments.

The Group operates in three principal geographical areas of the world and is primarily involved in the gloves manufacturing industry.

The directors are of the opinion that all inter-segment transaction have been entered into the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

30 November 2009 (3 months)

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	387,790	43,029	19,607	21,874	-	472,300
Inter-segment sales	14,899	111,655	19,159	-	(145,713)	-
Total Revenue	<u>402,689</u>	<u>154,684</u>	<u>38,766</u>	<u>21,874</u>	<u>(145,713)</u>	<u>472,300</u>
Result						
Profit from operations	75,867	10,608	447	293		87,215
Finance cost						(398)
Share of loss from associate						(174)
Profit before tax						<u>86,643</u>
Taxation						<u>(20,095)</u>
Profit for the year						<u>66,548</u>
Assets						
Segment assets	830,506	175,267	124,470	38,077		<u>1,168,320</u>
Goodwill arising from consolidation						<u>20,113</u>
Investment in associates						<u>8,959</u>
Liabilities						
Segment liabilities	229,318	24,112	23,410	9,098		<u>285,938</u>
Other information						
Capital expenditure	14,467	1,572	2,043	-		<u>18,082</u>
Depreciation	10,375	2,834	1,383	52		<u>14,644</u>

b. Secondary reporting segment – Business segments

As the Group is principally involved in gloves manufacturing industry, segment reporting by business segment is not prepared.

9. Valuation of property and equipment

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements, as the Group does not adopt a revaluation policy on its property, plant and equipment.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUG 2009 (CONTINUED)

10. Material events subsequent to the end of the interim report

There were no significant subsequent events after the end of the interim period to date of this announcement, which will materially affect the earnings or income of the Group.

11. Changes in the composition of the group

There were no significant changes in the composition of the Group in the interim financial report, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

12. Contingent liabilities

There were no significant changes in contingent liabilities since the last annual balance sheet date and there were no contingent liabilities pending at the date of this report.

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS

13. Review of performance

For the 1st quarter ended 30 November 2009, the Group sales revenue increased by 22% to RM472.3 million from RM386.1 million for quarter ended 30 November 2008. Profit after tax for quarter ended 30 November 2009 surged to RM66.5 million, an increase of 93% from RM34.5 million registered in the same period last year. The continuing strong profit growth shows that Top Glove is efficient and had adapted well to the challenging business environment resulting from cost saving measures implemented at all factories, improvements in product quality, productivity, as well as aggressive marketing strategies to sustain its world market leader position.

The Group also continues to strengthen its balance sheet and working capital position, currently in net cash position of RM222.0 million, with RM237.1 million cash in bank as at 30 November 2009. The Group has fully redeemed the bonds outstanding before its maturity date in view of the strong cash flow position. The finance cost for current quarter has reduced by 85% to RM0.4 million from RM2.7 million in quarter ended 30 November 2008.

The financial results of the Group since financial year 2001 (year of listing) are as follow :

RM 'mil	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	1Q10 3 months ended 30 Nov 09
Revenue	138.9	180.2	265.1	418.1	641.8	992.6	1,228.8	1,377.9	1,529.1	472.3
EBITDA	23.9	27.1	39.5	60.6	89.2	130.3	175.7	197.8	287.5	101.7
EBITDA margin	17.2%	15.0%	14.9%	14.5%	13.9%	13.1%	14.3%	14.4%	18.8%	21.5%
PBT	17.2	20.2	29.3	45.2	65.7	91.8	118.6	134.6	222.0	86.6
PBT margin	12.4%	11.2%	11.1%	10.8%	10.2%	9.2%	9.7%	9.8%	14.5%	18.3%
PAT	15.9	17.8	25.7	39.9	58.2	84.8	88.7	108.1	168.1	66.5
PAT margin	11.4%	9.9%	9.7%	9.5%	9.1%	8.5%	7.2%	7.8%	11.0%	14.1%

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUG 2009 (CONTINUED)

14. Quarterly profits before tax (PBT) comparison with preceding quarter

The Group registered PBT of RM86.6 million for current quarter compared with RM79.5 million in quarter ended 31 August 2009, an increase of 9%. The Group managed to increase the profit as compared to the preceding quarter mainly due to good cost control, management efficiency, glove quality improvement and also stronger demand due to the higher healthcare standards.

15. Commentary on prospects and targets

Top Glove, the world's largest rubber glove manufacturer with a vision of "Always Staying At The Top", with good and established corporate culture, has always strived towards its business direction of consistently produce top quality gloves with efficient low cost. It has forged ahead strongly with specific efforts undertaken to improve and innovate its glove quality, marketing strategies, productivity enhancement and cost efficiency. The Group currently has 19 factories, 355 production lines with production capacity of 31.5 billion pieces of gloves per annum and 9,100 employees. Top Glove has more than 850 customers worldwide and exports to more than 180 countries.

Factory 20, which is located in Klang, Malaysia, has commenced the installation of 16 new and advanced glove production lines and targeted to be completed by February 2010.

The Group has started construction of Factory 21, which is located in Klang, Malaysia. It will house 16 new and advanced glove production lines, with target completion by July 2010.

In addition, the Group also planned to install 8 new and advanced production lines in Factory 18, which is located in Banting, Malaysia, and target completion by June 2010.

In order to meet the increase in demand of latex concentrate for its glove production, the Group is in the process of installing an additional 9 latex concentrate centrifuge machines in Thailand, Factory 16L, with targeted completion by January 2010.

In view of the strong profit growth for the 1st quarter 2010, the Group is optimistic of its future outlook despite ongoing global economic challenges. With a diversified range of good quality products offered to a huge customer base spread over more than 180 countries worldwide, coupled with a team of dedicated employees, the Group is confident of continuous growth and good profitable performance in current financial year.

16. Variance of actual profits from forecast profits

Not applicable as no profit forecast was issued.

17. Taxation

	Quarter Ended		Year To Date Ended	
	30 Nov 2009	30 Nov 2008	30 Nov 2009	30 Nov 2008
	RM'000	RM'000	RM'000	RM'000
Income tax	17,081	7,729	17,081	7,729
Deferred taxation	3,014	1,054	3,014	1,054
	<u>20,095</u>	<u>8,783</u>	<u>20,095</u>	<u>8,783</u>

The effective tax rate of the Group is lower than the statutory tax rate due to the availability of reinvestment allowance by certain subsidiaries and the tax-free status of certain overseas subsidiaries during the current financial period.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUG 2009 (CONTINUED)

18. Profit/(loss) on sale of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties during the current interim report and financial year-to-date.

19. Purchase and dispose of quoted securities

There was no purchase or disposal of quoted securities by the Group for the current quarter and financial year-to-date.

20. Status of corporate proposals announced

There were no corporate proposals announced which remain uncompleted during the quarter under review as at the date of this report.

21. Group borrowings

The Group borrowings as at 30 November 2009 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	6,500	4,753	11,253
Long term borrowings	-	3,792	3,792
	<u>6,500</u>	<u>8,545</u>	<u>15,045</u>

22. Off balance sheet financial instruments

The Group uses derivative financial instruments, mainly forward foreign exchange contracts to hedge its exposure to fluctuations in foreign exchange arising from sales. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are not recognized in the financial statements on inception.

The details of the open foreign exchange forward contracts agreement as at 30 November 2009 are as follows:-

	Notional Amount As At 30 Nov 2009 RM'000
Foreign exchange forward contracts : Within 3 months	<u>122,458</u>

The above instruments are executed with credit worthy financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of its financial strength.

23. Material litigation

There is no material litigation that have material effect in the current financial year to-date.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUG 2009 (CONTINUED)

24. Dividends

No dividend was proposed by the Board of Directors for current quarter under review.

The total dividend declared for financial year 2009 was 44%. The Company paid an interim dividend of 14% (single tier) amounting to RM20.78 million on 16 September 2009. The Board of Directors has also proposed a final dividend of 18% (single tier) amounting to approximately RM26.86 million and a special dividend of 12% (single tier) amounting to approximately RM17.90 million for the financial year ended 31 August 2009. The proposed final dividend is subject to the shareholders' approval in the forthcoming Annual General Meeting on 12 January 2010.

Record of dividends :

Financial Year	Dividend % (on par value)	Dividend per share (sen)	Total Dividend (RM'000)	Status
2009	12% (special) 18% (final) 14% (1 st interim)	6 9 7 } 22	17,904 26,856 20,781	Proposed Proposed Paid
2008	22%	11	32,389	Paid
2007	20%	10	27,435	Paid
2006	18%	9	21,173	Paid
2005	16%	8	14,110	Paid
2004 *	14%	7	12,295	Paid
2003 *	12%	6	9,550	Paid
2002 *	6%	3	2,808	Paid
2001 *	8%	4	4,000	Paid
Total			189,301	

* Dividend per share has been adjusted to reflect the subdivision of shares from one ordinary share of RM1.00 to two ordinary shares of RM0.50 each which was completed in February 2005.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUG 2009 (CONTINUED)****25. Earnings per share**

	Quarter Ended		Year To Date Ended	
	30 Nov 2009	30 Nov 2008	30 Nov 2009	30 Nov 2008
Net profit attributable to ordinary shareholders (RM'000)	65,208	34,159	65,208	34,159
Basic				
Total number of ordinary shares ('000)	305,274	301,065	305,274	301,065
Adjusted weighted average number of ordinary shares excluding treasury shares ('000)	297,169	294,448	297,169	294,448
Basic earnings per ordinary share (sen)	21.94	11.60	21.94	11.60
Diluted				
Adjusted weighted average number of ordinary shares ('000)	297,169	294,448	297,169	294,448
ESOS :				
No. of unissued shares	4,532	2,885	4,532	2,885
No. of shares that would have been issued at fair value	(1,185)	(1,801)	(1,185)	(1,801)
Diluted weighted average number of ordinary shares ('000)	300,516	295,532	300,516	295,532
Diluted earnings per ordinary share (sen)	21.70	11.56	21.70	11.56