

Hartalega Holdings Bhd

5th Annual General Meeting



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Hartalega's Background

Awards

Forbes Asia

"200 Best Under A Billion"

KPMG

Rated No.1 in Industrial Markets Sector and
Overall Ranked 9th Malaysian Public Listed
Company

Asia Money

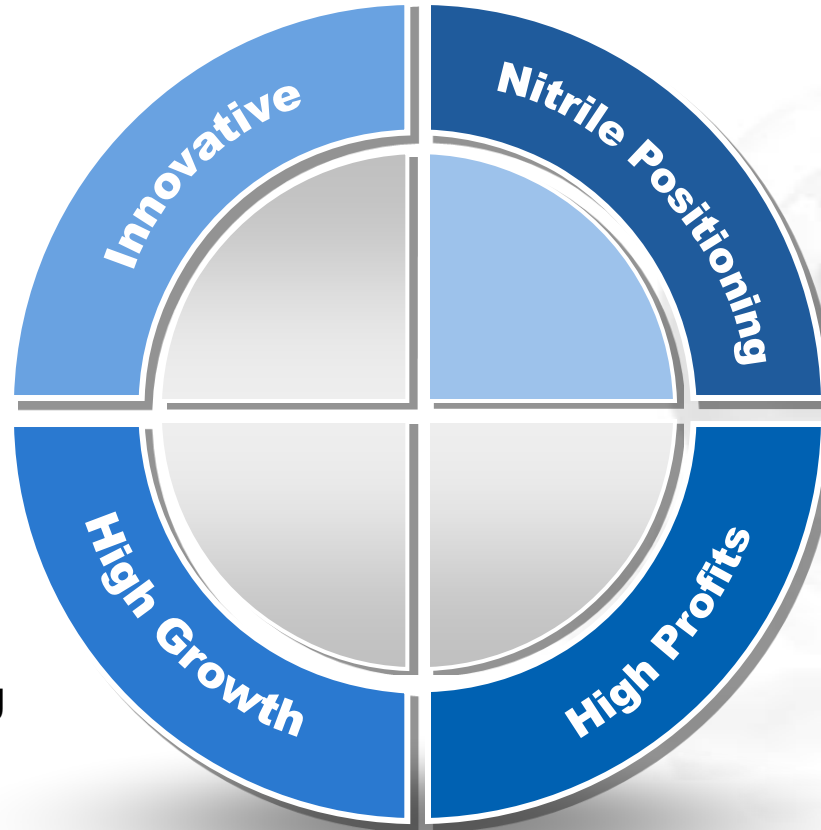
Best Managed Small Cap Company in Malaysia

Key Strengths

Advanced proprietary equipment

Numerous patent pending engineering designs

Current capacity of 9.6 billion pieces, expanding to 13.5 billion by FY 2015



Largest Nitrile gloves manufacturer in world

Reputable quality producer

High profit margin

Strong financial performance

Innovation

Inventions



High Capacity Production Lines

- 1st successful double former production line in the world
- Patented
- Highest production capacity in the world – 35,000 pcs/hr
- Sophisticated process controls
- Touch screen human machine interface
- Consistent quality

Innovation

Inventions

Photo Removed to Protect
Proprietary Technology

Glove Removal System

- 1st automated mechanical stripping system in the industry able to remove nitrile gloves of hand moulds
- Proprietary technology in use since 1995
- Performance is still unrivalled until today
- Removing nitrile gloves off the moulds at 35,000pcs/hr
- At that rate, it is humanly impossible

Innovation

Inventions

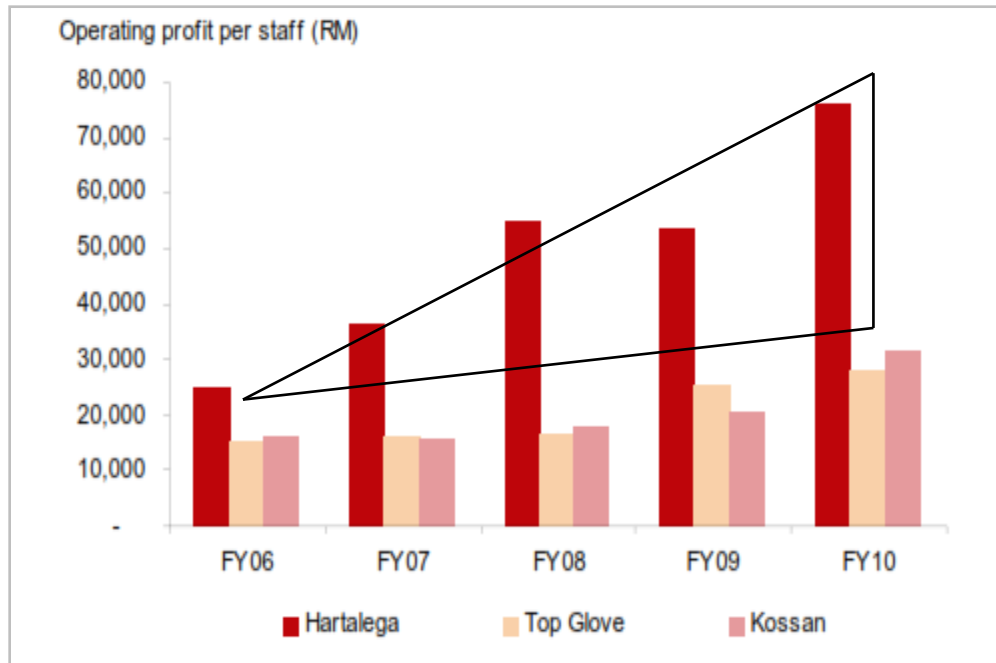


Dipping Simulator

- Robotic technology
- Fully automatic
- Precise simulation of unlimited parameters
- Accurate repeatability
- Reduced product time to market

Innovation

Highest Operating Profit Per Staff



(DBS Vickers, 2011)

Strong Innovation & Productivity

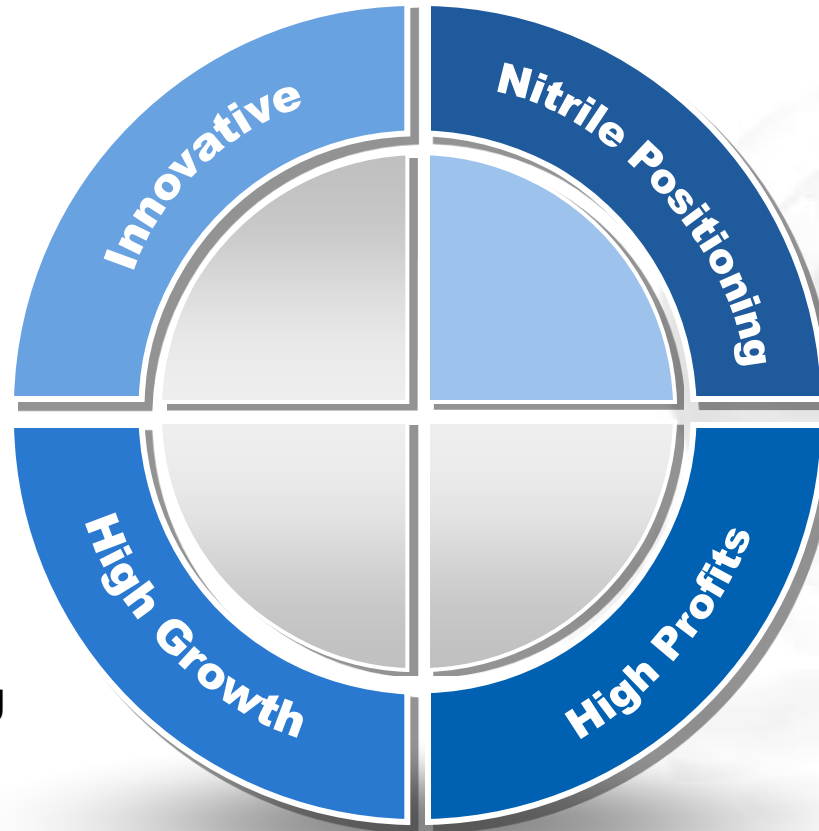
- Innovation and productivity focus has resulted in Hartalega having the highest operating profit per employee in the industry

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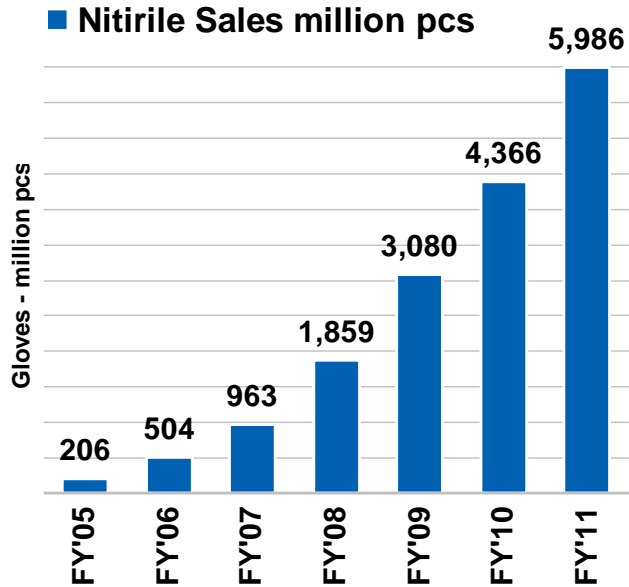
Nitrile Gloves – Strong Market Position

Stretchy Nitrile – our speciality

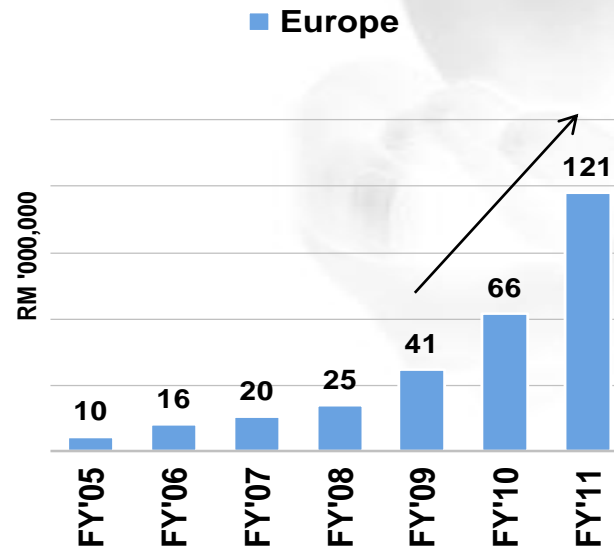
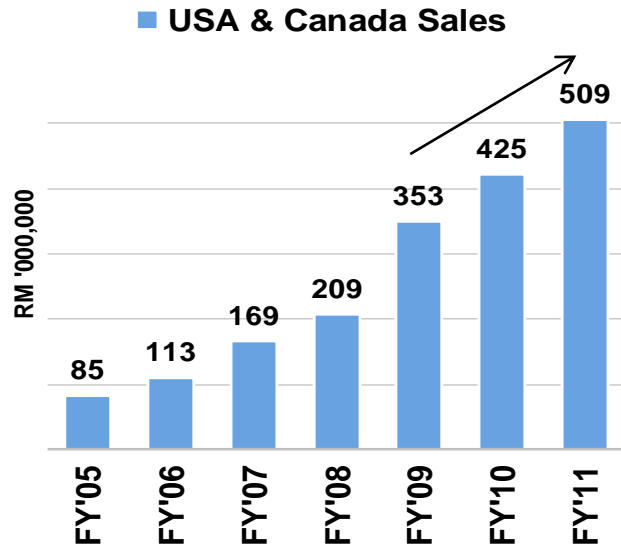
- Most elastic nitrile glove in the world
- Competitively priced
- No protein allergy



Nitrile Gloves – Strong Market Position



- Successfully re-modelled company to be a major nitrile glove producer, 90% of sales is nitrile gloves
- Nitrile sales (pcs) increased by 29 times in 6 years
- Largest OEM nitrile gloves producer in the world with 13% nitrile gloves market share
- Created switching momentum in the market from natural rubber to nitrile gloves

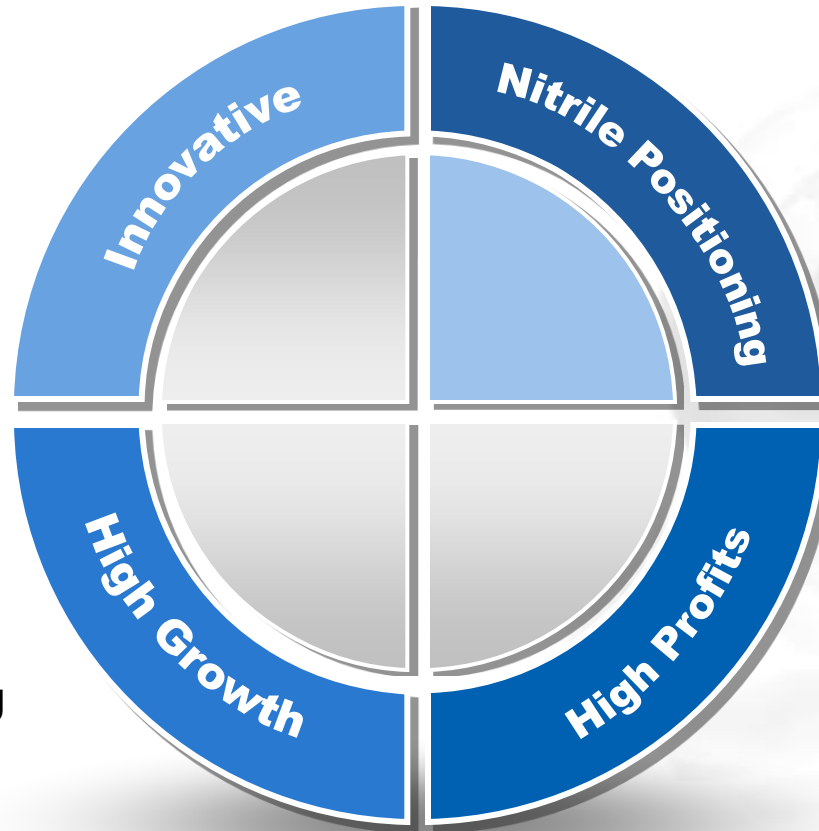


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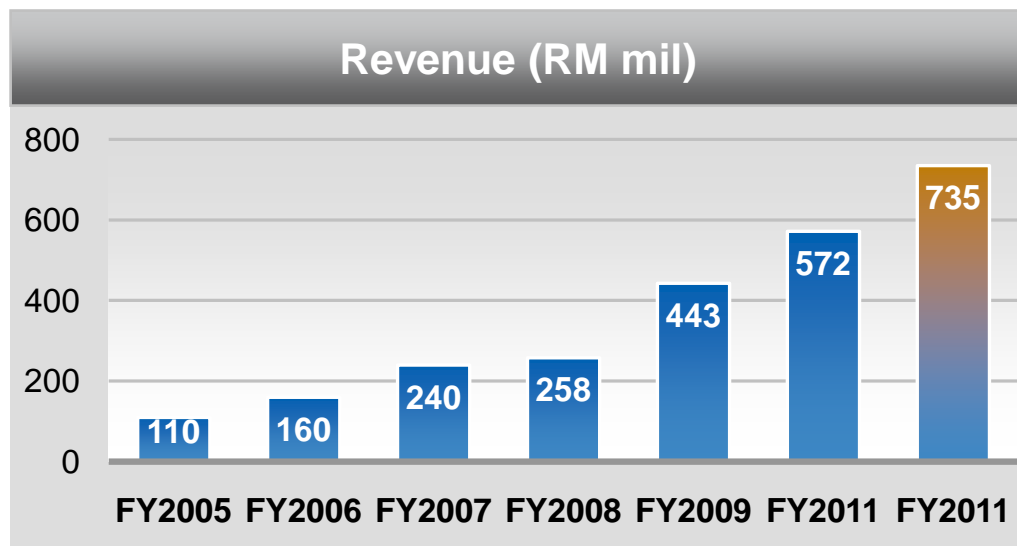
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High profit margin

Strong financial performance

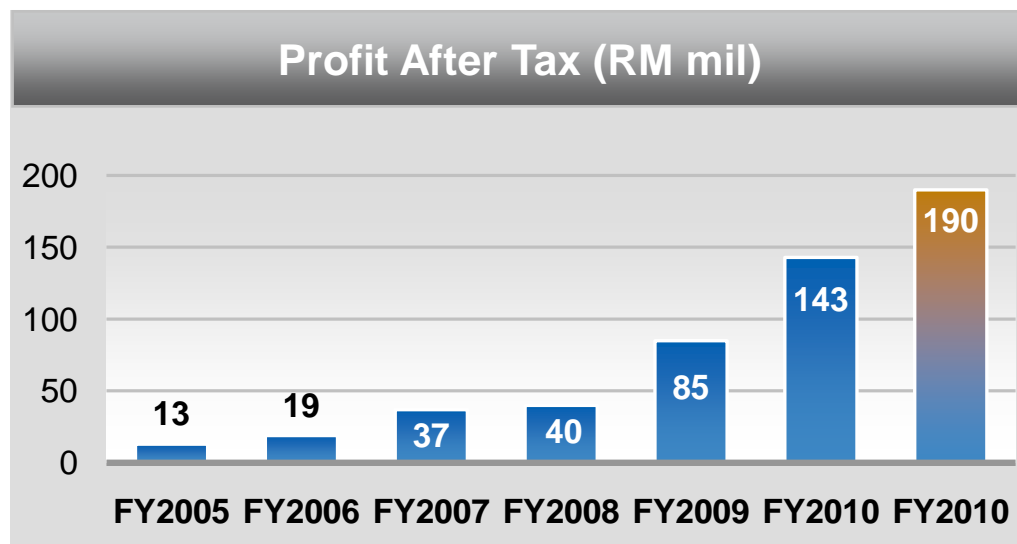
Financial Performance

Revenue and Profit



Strong Growth

- 6 years CAGR for revenue of 37%
- 6 years CAGR for profit after tax of 56%

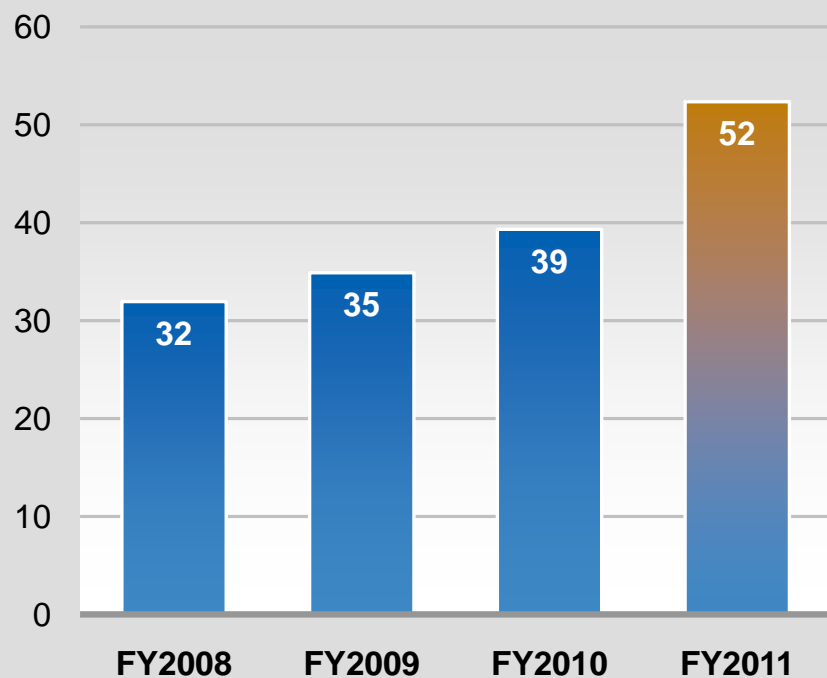


* FYE2008 – Pre and post acquisition amounts without negative goodwill.

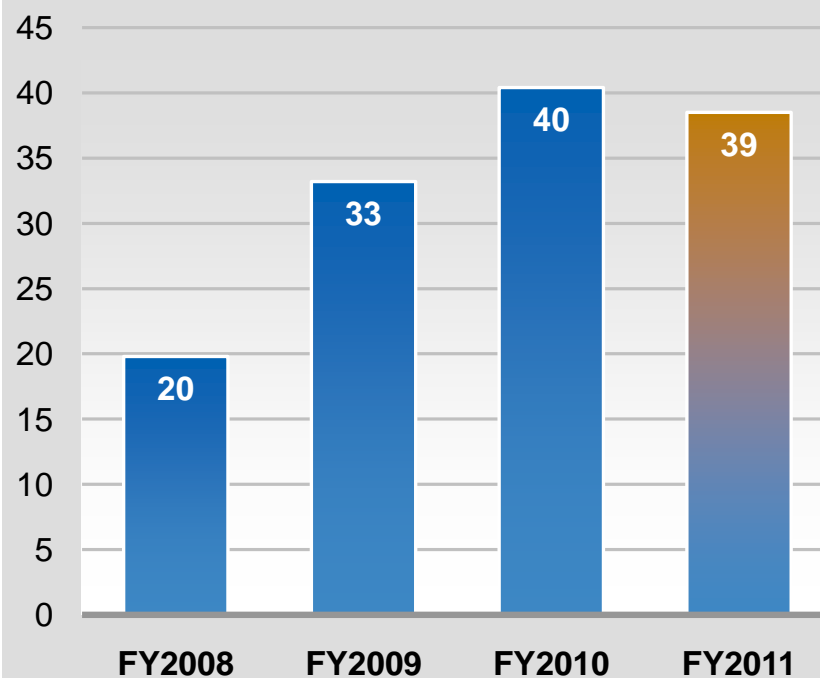
Financial Performance

Revenue and Profit

Earnings Per Share (sen)

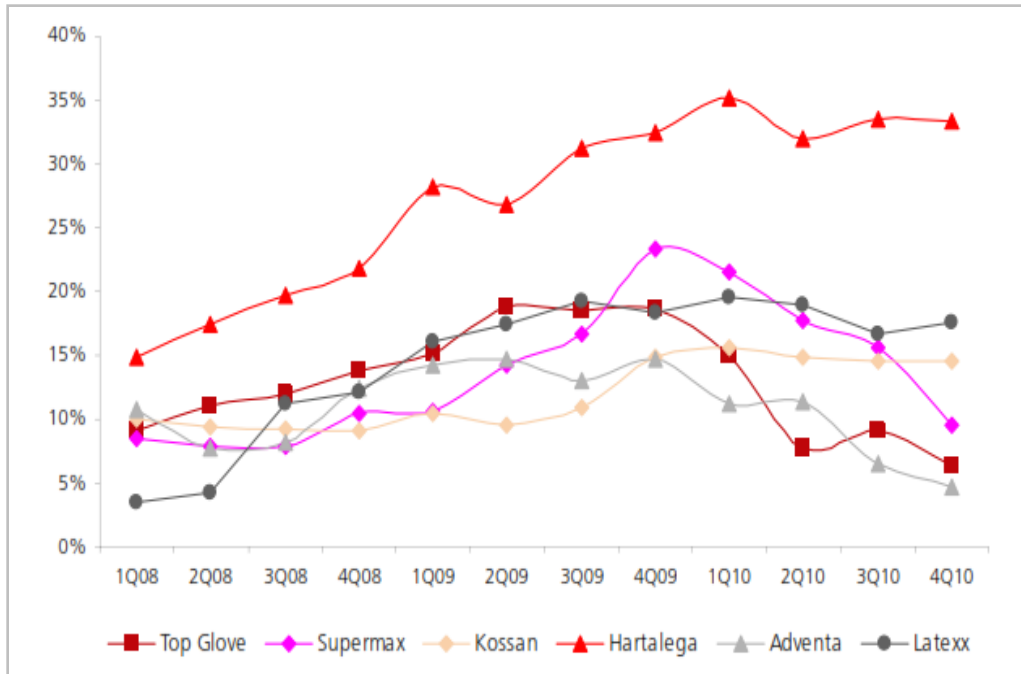


Return on Equity (%)



Financial Performance

Most Efficient Glove Maker



(DBS Vickers, 2011)

Highest Operating Margin Among Peers

- The most efficient glove maker in the world through engineering innovation
- Excellent track record of superior operating margins relative to peers

Dividend

Dividend Payment for FYE 2011

	Payment Date	Sen
Ist Interim	Dec-10	4
2nd Interim	Mar-11	5
3rd Interim	Jun-11	6
Final	Sep-11	6
		21

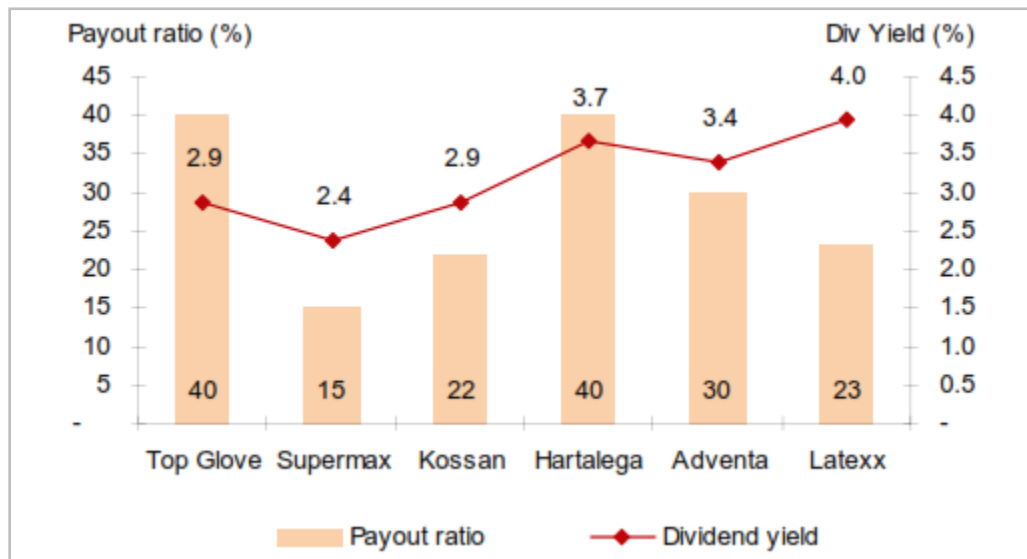
Strong Dividend

- 40% payout from earnings
- 4 payouts in a year
- If shares were purchase in Nov-2010 to obtain the 4 payouts, the dividend yield would be, $0.21/5.48 = 3.8\%$

Average closing price for Nov-2010 = RM 5.48

Dividend

High Dividend Yield & Payout Ratio



(DBS Vickers, 2011)

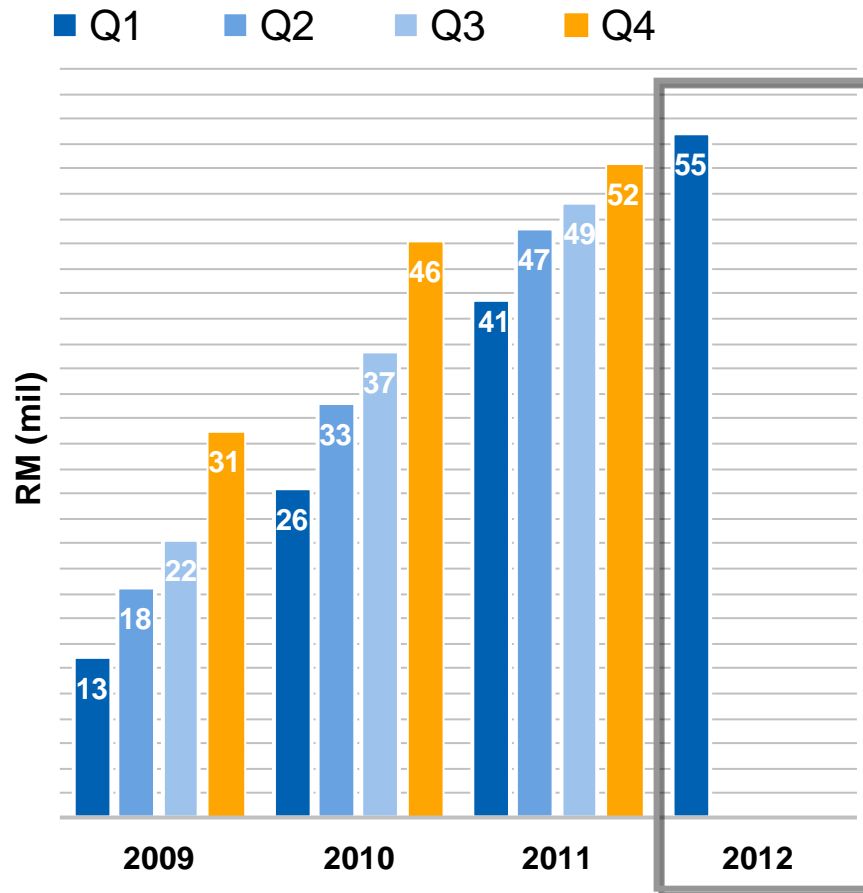
- One of the highest dividend yield
- Currently, highest payout ratio together with Top Glove at 40%

Going forward we are setting a dividend policy which aim to distribute at least 45% of our annual net profit as dividend

Projected dividend yield of 4.8% at today's share price

Financial Performance

Quarterly profit

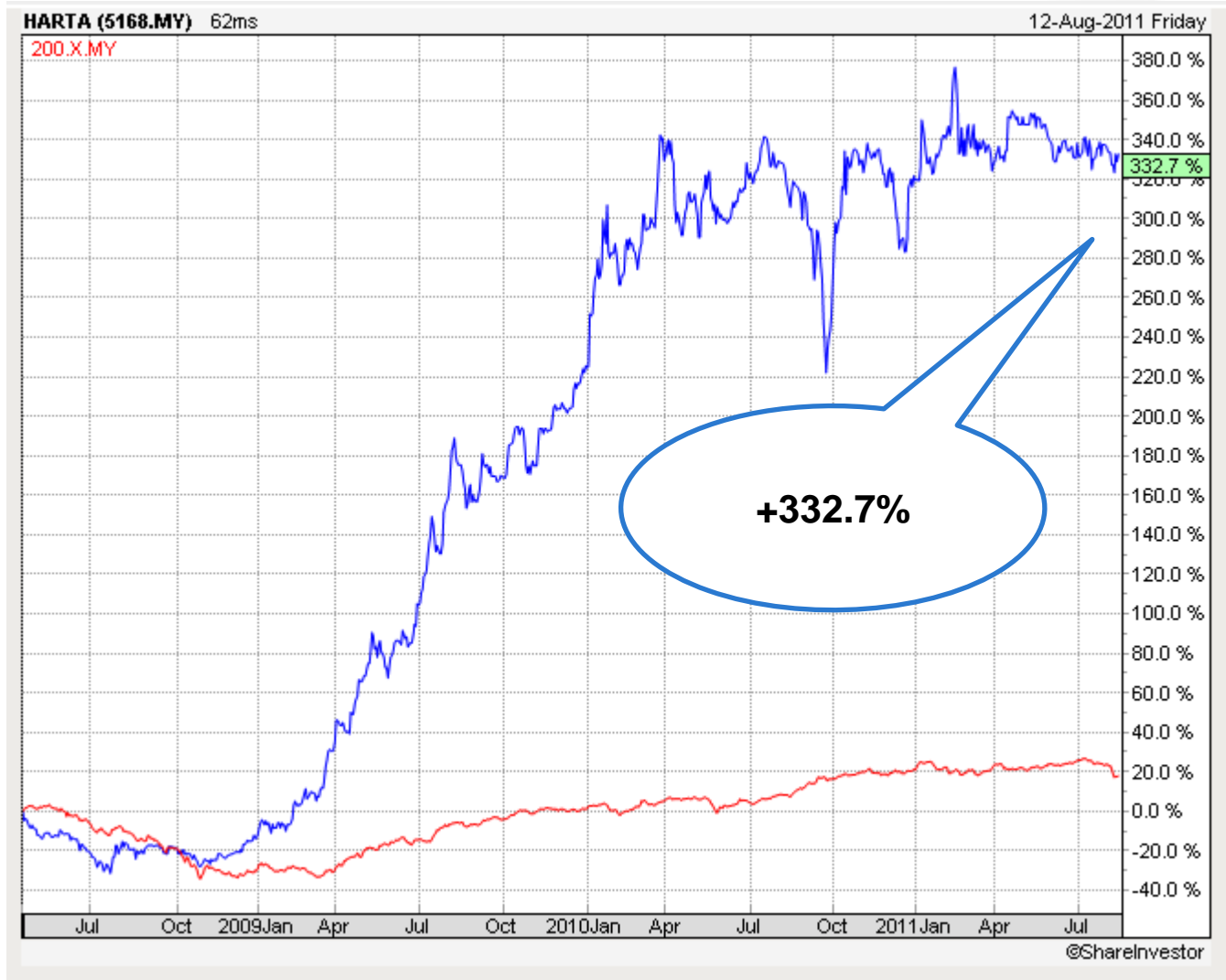


Growth Rate

- Growth of 32% over the previous year's corresponding quarter (FY2011, q1)

Hartalega Holdings vs. FTSE BM KLCI Index (%)

Since IPO

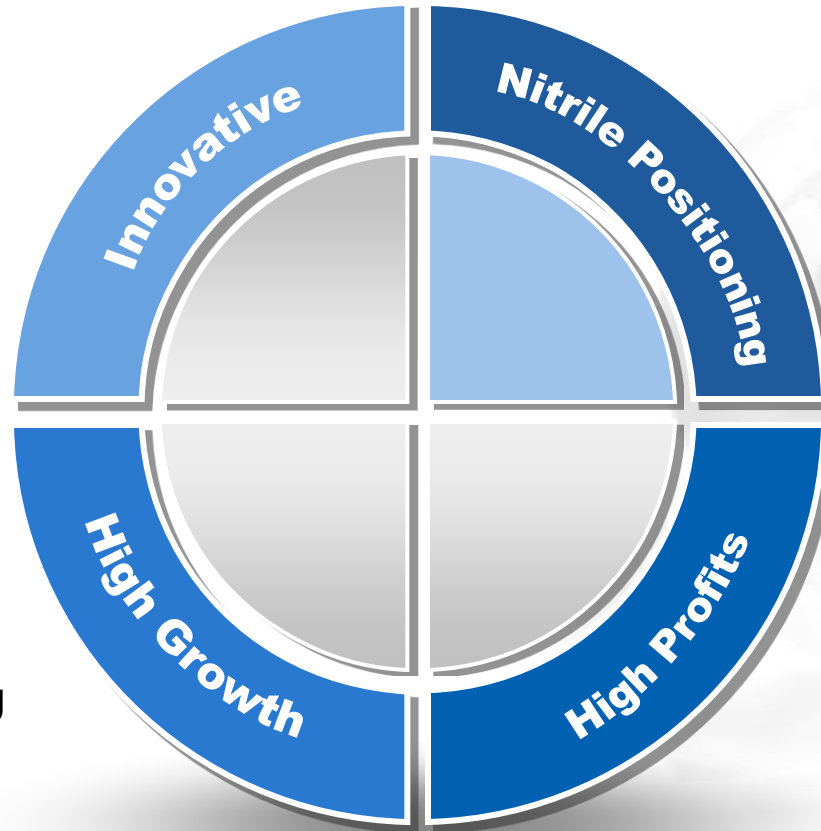


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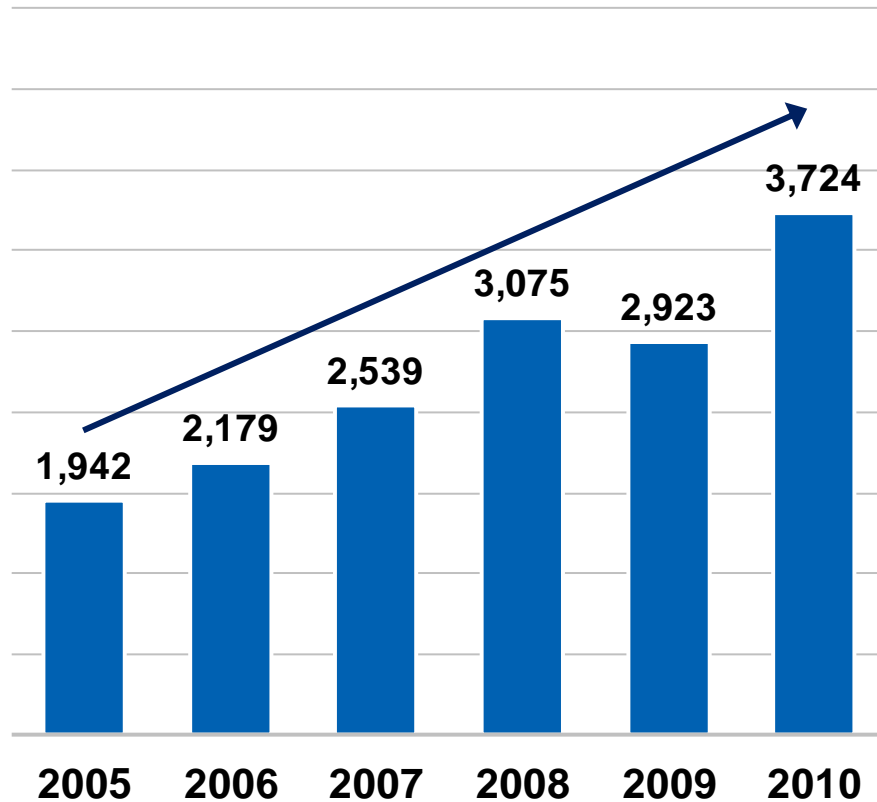
High profit margin

Strong financial performance

Industry Outlook

Growing Market

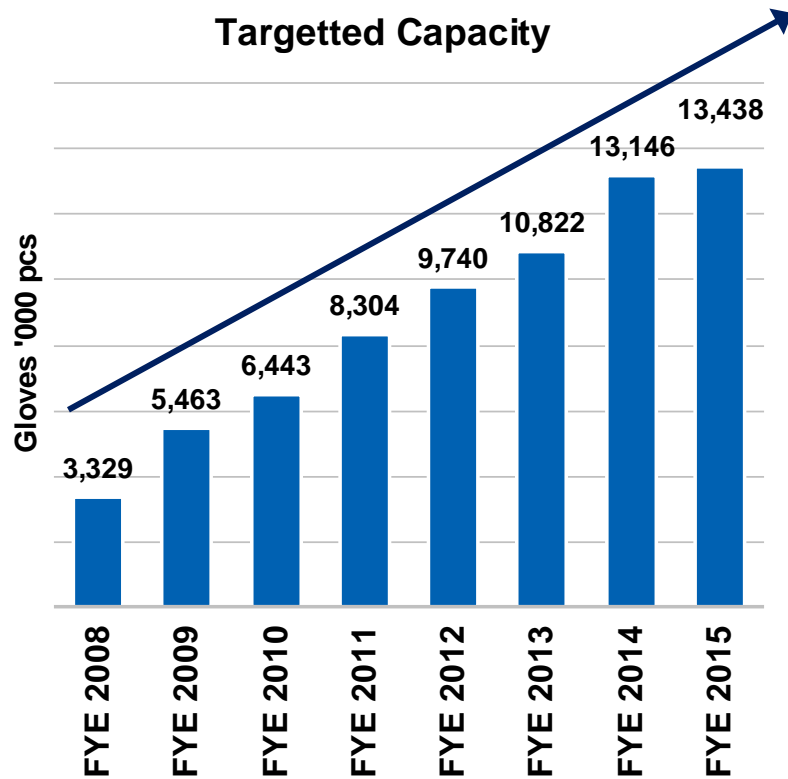
■ World's Import of Examination Gloves (US\$ mil)



Salient Points

- World demand for rubber gloves grows at a rate of about 14% per annum
- Malaysia is the largest supplier of rubber gloves for the world, commanding about 61% of the global market
- World demand will remain resilient due to emergence of diseases such as SARS, H1N1
- Increase in affluence and health awareness of the world population also drives demand

Future Plans



Capacity Expansion

- Market driven capacity expansion – progressive installation of 2 new production lines at plant 5
- 10 new production lines in plant 6 (waiting for Majlis Daerah approval)
- Decommision 10 lines at plant 1 to replace with 6 high capacity lines for emerging markets
- Focus on nitrile and powder free gloves
- Sustainable double digit growth for the next 4 years

Corporate Responsibility

Environmental Preservation



Clean Energy – Biomass Energy Plant

Technology imported from Belgium



Renewable energy

- In operation since 2002
- Fully automatic plant
- Computerised monitoring system
- Good combustion and emission controls
- Due to its sophisticated control system, cost to build is 4 times that of other systems
- Total cost RM15 mil

Environmental Preservation – Effluent Water Treatment

Technology Imported from Austria

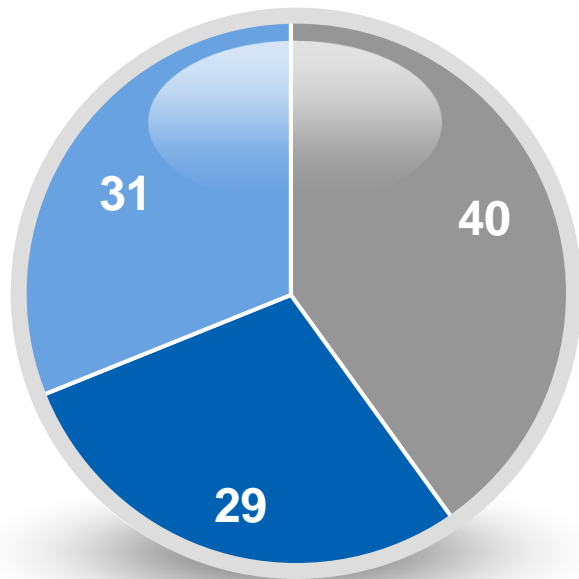


Pioneer technology

- Based on the Dissolved Air Flotation (DAF) technology
- Pioneered by Dr. Milos Krofta
- Consistent performance
- Meet standards enforced by Jabatan Alam Sekitar
- Investment in effluent water treatment plants totals to about RM 8 mil

Expenses

Substantial commitment towards environmental controls



- Water Treatment
- Scrubber Treatment
- Sludge Disposal

Description	Cost per annum (RM)
Effluent water treatment	2,111,000
Scrubber tower treatment	1,515,000
Sludge disposal to Kualiti Alam	1,630,000
Total	5,256,000

Corporate Responsibility

Community Care – Social Contributions



Community Care – Social Contributions



Contribution Objectives

- As a profitable organisation, we feel compelled to give back to the community
- Contributions are given in the form of gifts, construction of community facilities, donations, relieve aids, sponsorships, education assistance, sports carnivals, etc.

Corporate Responsibility

Community



Support to fire victims at
Kg Rantau Panjang



Gifts for orphanages
during festive seasons



Support to HIV victims at
Ozanam Shelter Homes



Donation to flood
relief centre



Hartalega

World Class Manufacturer

First Class Gloves



Hartalega



**Do You Have
Any Questions?**