



TOP GLOVE CORPORATION BHD. (Company No. 474423-X)

A Public Company Listed on Main Market of Bursa Malaysia
 Manufacturer and Exporter of Latex Examination, Nitrile, Surgical, Household, Vinyl, Cleanroom, PE,
 Industrial Gloves & PE Apron

The World's Largest Rubber Glove Manufacturer

Top Glove, Top Quality, Top Efficiency, Good Health, Safety First & Be Honest

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**CONDENSED CONSOLIDATED INCOME STATEMENT
 FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012**

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31-Aug-2012	31-Aug-2011	31-Aug-2012	31-Aug-2011
	RM'000	RM'000	RM'000	RM'000
Revenue	607,229	541,836	2,314,358	2,053,916
Operating Expenses	(546,269)	(515,176)	(2,094,573)	(1,927,924)
Other Operating Income	6,062	8,235	21,263	18,803
Profit From Operations	67,022	34,895	241,048	144,795
Finance Costs	(30)	(77)	(113)	(242)
Share of results of associate	129	267	262	917
Profit Before Taxation	67,121	35,085	241,197	145,470
Taxation	(1,849)	(8,267)	(34,428)	(30,338)
Profit for the year	65,272	26,818	206,769	115,132
Profit Attributable to :				
Owners of the Company	63,513	26,034	202,210	113,091
Minority Interest	1,759	784	4,559	2,041
	65,272	26,818	206,769	115,132
Earnings Per Share (sen)				
Basic	10.27	4.21	32.69	18.29
Diluted	10.25	4.20	32.65	18.27

The Condensed Consolidated Income Statement should be read in conjunction with the
 Annual Financial Report for the financial year ended 31 August 2011

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012**

	Current	Corresponding	Current	Corresponding
	Quarter Ended	Quarter Ended	Year To Date	Year To Date
	31-Aug-2012	31-Aug-2011	31-Aug-2012	31-Aug-2011
	RM'000	RM'000	RM'000	RM'000
Profit for the year	65,272	26,818	206,769	115,132
Other comprehensive income:				
Net gain on available-for-sale financial assets:				
- gain/(loss) on fair value changes	1,174	(7,540)	4,596	(1,057)
Foreign currency translation	2,984	2,354	5,097	864
Other comprehensive income for the year	4,158	(5,186)	9,693	(193)
Total comprehensive income for the year	69,430	21,632	216,462	114,939
Total comprehensive income attributable to:				
Owners of the Company	67,612	20,923	211,458	113,009
Minority Interest	1,818	709	5,004	1,930
	69,430	21,632	216,462	114,939

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2011

TOP GLOVE CORPORATION BHD.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2012**

	Unaudited as at 31-Aug-2012 RM'000	Audited as at 31-Aug-2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	741,209	660,692
Land use rights	17,431	19,608
Investment in associate	6,729	7,039
Investment securities	146	146
Goodwill	20,113	20,113
	785,628	707,598
Current Assets		
Inventories	179,434	175,532
Trade and other receivables	325,196	262,129
Other current assets	3,497	4,316
Tax recoverable	-	13,228
Investment securities	144,198	108,512
Cash and bank balances	167,245	148,760
Derivative asset	-	2,954
	819,570	715,431
Total Assets	1,605,198	1,423,029
EQUITY AND LIABILITIES		
Current Liabilities		
Trade and other payables	235,702	194,611
Other current liabilities	31,389	34,644
Short term borrowings	204	157
Tax payable	14,732	-
Derivative liability	2,663	-
	284,690	229,412
Net Current Assets	534,880	486,019
Non-Current Liabilities		
Long term borrowings	2,776	2,851
Deferred tax liabilities	37,337	44,393
	40,113	47,244
Total Liabilities	324,803	276,656
Net Assets	1,280,395	1,146,373
Equity Attributable to Equity Holders of the Company		
Share capital	309,440	309,256
Share premium	174,198	171,780
Retained profit	746,895	625,936
Other reserves	25,363	14,831
	1,255,896	1,121,803
Minority Interest	24,499	24,570
Total Equity	1,280,395	1,146,373
Total Equity and Liabilities	1,605,198	1,423,029
Net Tangible Assets per share (RM)	2.04	1.82
Net Assets per share (RM)	2.07	1.85

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012**

	←----- Attributable to Equity Holders of the Company -----→									
	← Equity attributable to owners of the parent, total RM'000	Share Capital RM'000	Share Premium RM'000	Non distributable		Share option reserve RM'000	Fair value Adjustment Reserve RM'000	→ Retained Profits RM'000	→ Minority Interest RM'000	
	Equity, total RM'000	Share Capital RM'000	Share Premium RM'000	Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Fair value Adjustment Reserve RM'000	Retained Profits RM'000	Minority Interest RM'000	
12 Months Ended 31 August 2012										
Opening balance at 1 September 2011	1,146,373	1,121,803	309,256	171,780	1,766	3,604	9,877	(416)	625,936	24,570
Total comprehensive income	216,462	211,458	-	-	4,652	-	-	4,596	202,210	5,004
Transactions with owners										
Issuance of ordinary shares pursuant to ESOS	910	910	184	2,418	-	-	(1,692)	-	-	-
Share options granted under ESOS	2,146	2,146	-	-	-	-	2,146	-	-	-
Dividend on ordinary shares	(80,421)	(80,421)	-	-	-	-	-	(80,421)	-	-
Dividend paid to minority interests	(5,075)	-	-	-	-	-	-	-	(5,075)	-
Transfer to legal reserve	-	-	-	-	-	830	-	(830)	-	-
Closing balance at 31 August 2012	<u>1,280,395</u>	<u>1,255,896</u>	<u>309,440</u>	<u>174,198</u>	<u>6,418</u>	<u>4,434</u>	<u>10,331</u>	<u>4,180</u>	<u>746,895</u>	<u>24,499</u>
12 Months Ended 31 August 2011										
Opening balance at 1 September 2010	1,116,366	1,092,502	309,081	170,563	791	2,400	10,260	-	599,407	23,864
Effects of adopting FRS 139	1,858	1,858	-	-	-	-	-	641	1,217	-
	<u>1,118,224</u>	<u>1,094,360</u>	<u>309,081</u>	<u>170,563</u>	<u>791</u>	<u>2,400</u>	<u>10,260</u>	<u>641</u>	<u>600,624</u>	<u>23,864</u>
Total comprehensive income	114,939	113,009	-	-	975	-	-	(1,057)	113,091	1,930
Transactions with owners										
Issuance of ordinary shares pursuant to ESOS	1,009	1,009	175	1,217	-	-	(383)	-	-	-
Acquisition of subsidiary	56	-	-	-	-	-	-	-	-	56
Transfer to legal reserve	-	-	-	-	-	1,204	-	(1,204)	-	-
Dividend on ordinary shares	(86,575)	(86,575)	-	-	-	-	-	(86,575)	-	-
Dividend paid to minority interests	(1,280)	-	-	-	-	-	-	-	-	(1,280)
Closing balance at 31 August 2011	<u>1,146,373</u>	<u>1,121,803</u>	<u>309,256</u>	<u>171,780</u>	<u>1,766</u>	<u>3,604</u>	<u>9,877</u>	<u>(416)</u>	<u>625,936</u>	<u>24,570</u>

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD YEAR ENDED 31 AUGUST 2012**

	Current Year To Date Ended 31-Aug-2012	Corresponding Year To Date Ended 31-Aug-2011
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	241,197	145,470
Depreciation	69,177	61,567
Other adjustment	8,244	3,027
Operating profit before changes in working capital	<u>318,618</u>	<u>210,064</u>
Changes in working capital		
Net change in current assets	(66,893)	(9,601)
Net change in current liabilities	37,836	10,407
Cash flows from operating activities	<u>289,561</u>	<u>210,870</u>
Tax paid	(13,524)	(28,176)
Net cash flows from operating activities	<u>276,037</u>	<u>182,694</u>
Cash flows from investing activities		
Purchase of investment securities	(31,090)	(68,267)
Purchase of property, plant and equipment	(140,545)	(139,521)
Additional investment in an associate	-	(336)
Net cash inflow on acquisition of a subsidiary	-	624
Net cash flows used-in investing activities	<u>(171,635)</u>	<u>(207,500)</u>
Cash flows from financing activities		
Dividend paid	(80,421)	(86,575)
Dividend paid to minority shareholders	(5,075)	(1,280)
Proceeds from issuance of shares	910	1,009
Decrease in borrowings	(28)	(678)
Net cash flow used-in financing activities	<u>(84,614)</u>	<u>(87,524)</u>
Net change in cash and cash equivalents	19,788	(112,330)
Effect of foreign exchange rate changes	(1,303)	(1,840)
Cash and cash equivalents at beginning of year	<u>148,760</u>	<u>262,930</u>
Cash and cash equivalents at end of year	<u><u>167,245</u></u>	<u><u>148,760</u></u>
Breakdown of cash and cash equivalents at end of year		
Bank and cash balances	<u><u>167,245</u></u>	<u><u>148,760</u></u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2011



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ISO 9001

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the Group for the financial year ended 31 August 2011. 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 2011.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 August 2011 and include the adoption of new and revised Financial Reporting Standards (“FRS”) and Interpretation applicable to the Group. The adoption of the new and revised FRS and Interpretation are expected to have no material impact on the financial statement in the period of initial application.

2. Auditors’ report

The audited financial statements for the financial year ended 31 August 2011 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 period ended 31 August 2012.

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. Changes in debts and equity securities

The Company’s 2nd Employee Share Option Scheme (“ESOS II”) was implemented on 1 August 2008. During the quarter ended 31 August 2012, a total of 219,100 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 31 August 2012 are as follows:-

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012 (CONTINUED)

6. Changes in debts and equity securities (cont'd)

	No. of shares	RM
As at 31 May 2012	618,660,662	309,330,331
Ordinary shares issued pursuant to the ESOS	219,100	109,550
As at 31 August 2012	618,879,762	309,439,881

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

7. Dividends paid

On 19 July 2012, the Company paid a 1st interim single tier dividend of 7 sen per ordinary share amounting to RM43.31 million, which was declared on 14 June 2012 in conjunction with the 3rd quarter ended 31 May 2012 financial results announcement.

For the financial year ended 31 August 2011, the Company:-

- On 21 July 2011, paid an interim single tier dividend of 5 sen per ordinary share amounting to RM30.92 million.
- On 19 January 2012, paid a final single tier dividend of 6 sen per ordinary share amounting to RM37.11 million which was approved in the Company's Annual General Meeting held on 10 January 2012.

The total dividend paid by the Company in respect of the financial year ended 31 August 2011 was 11 sen per ordinary share represented by a net payment of RM68.03 million.

Record of dividends paid:-

Financial Year	Net Dividend per share (sen)	Total Dividend (RM'000)
2012	7.00 (interim)	43,306
2011	11.00	68,035
2010	16.00	98,877
2009	11.00	65,873
2008	5.50	32,389
2007	4.61	27,435
2006	3.67	21,173
2005	2.66	14,110
2004	2.36	12,295
2003	1.85	9,550
2002	0.56	2,808
2001	0.80	4,000
Total		399,851

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012 (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.

12 months ended 31 August 2012

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>						
External sales	1,886,389	226,292	80,863	120,814	-	2,314,358
Inter-segment sales	57,961	470,273	52,111	-	(580,345)	-
Total Revenue	<u>1,944,350</u>	<u>696,565</u>	<u>132,974</u>	<u>120,814</u>	<u>(580,345)</u>	<u>2,314,358</u>
<u>Result</u>						
Segment profit/(loss)	192,056	45,760	(33)	3,265	-	241,048
Finance cost						(113)
Share of profit of associate						262
Profit before tax						<u>241,197</u>
<u>Assets</u>						
Segment assets	1,186,293	232,427	113,754	45,882		<u>1,578,356</u>
Goodwill						<u>20,113</u>
Investment in associate						<u>6,729</u>
<u>Liabilities</u>						
Segment liabilities	266,078	26,542	19,480	12,703		<u>324,803</u>
<u>Other information</u>						
Capital expenditure	126,169	12,331	1,865	180		<u>140,545</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.

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 the date of this announcement, which will materially affect the earnings or income of the Group.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012 (CONTINUED)

11. Changes in the composition of the group

There were no significant changes in the composition of the Group for the quarter under review, including business combination, acquisition or disposal of subsidiaries and long-term investment, 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.

13. Capital commitments

As at the end of the reporting quarter, the Company had commitments for significant approved and contracted for capital expenditures amounting approximately to RM48.8 million.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

14. Review of performance

The Group's performance for the fourth quarter ("4QFY2012") and the full year ("FY2012") ended 31 August 2012 compared with the corresponding period last financial year is as tabled below:

	4QFY2012	4QFY2011	Variance	FY2012	FY2011	Variance
	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Revenue	607.2	541.8	12.1	2,314.1	2,053.9	12.7
PBT	67.1	35.1	91.2	241.2	145.5	65.8
PBT Margin	11.1%	6.5%		10.4%	7.1%	

The Group's sales revenue for 4QFY2012 and FY2012 increased by 12.1% to RM607 million and 12.7% to RM2.3 billion respectively compared with the corresponding period last financial year. The sales revenue recorded for 4QFY2012 charted another all time historical high. Meanwhile, profit before taxation ("PBT") in 4QFY2012 and FY2012 gained 91.2% to RM67.1 million and 65.8% to RM241.2 million respectively.

The strong growth in sales revenue was attributed to an improvement in sales volume on the back of higher demand for natural rubber and nitrile gloves from both the emerging and developed markets. As a result, capacity utilization for the financial year was higher despite the additional production capacity from factory expansion and upgrading exercise. The significant improvement in PBT was attributed to the higher sales volume, competitive pricing, increased efficiency and more favourable operating environment which saw the easing of main raw material latex prices as well as a strengthening of USD against RM. Average latex prices declined by 17.3% from a year ago (from RM8.90/kg in FY2011 to RM7.36/kg in FY2012), whilst the USD appreciated by 2.0% against RM (from RM3.05 in FY2011 to RM3.11 in FY2012).

Despite utilizing cash to finance its capital expenditure and dividend payment, the Group continues to generate free cash flows and is able to maintain its strong balance sheet position with net cash and short term investments of RM308.5 million as at 31 August 2012.

The Board of Directors has today 11 October 2012 proposed a final single tier dividend of 9 sen (net) per share, subject to shareholders' approval at the forthcoming Annual General Meeting. Total dividend for the current financial year will be 16 sen per share, which represents an increase of 45% from last financial year's total dividend of 11 sen. This is equivalent to a payout ratio of approximately 50%.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012 (CONTINUED)****14. Review of performance (cont'd)**

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

RM 'mil	Financial year ended 31 August											2012 (unaudited)
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
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	2,053.9	2,314.4
EBITDA	23.9	27.1	39.5	60.6	89.2	130.3	175.7	197.8	287.5	364.7	207.3	310.5
EBITDA margin	17.2%	15.0%	14.9%	14.5%	13.9%	13.1%	14.3%	14.4%	18.8%	17.5%	10.1%	13.4%
PBT	17.2	20.2	29.3	45.2	65.7	91.8	118.6	134.6	222.0	305.0	145.5	241.2
PBT margin	12.4%	11.2%	11.1%	10.8%	10.2%	9.2%	9.7%	9.8%	14.5%	14.7%	7.1%	10.4%
Taxation	1.3	2.2	3.6	5.3	7.5	7.0	29.9	26.5	53.9	54.6	30.3	34.4
PAT	15.9	18.0	25.7	39.9	58.2	84.8	88.7	108.1	168.1	250.4	115.1	206.8
PAT margin	11.4%	10.0%	9.7%	9.5%	9.1%	8.5%	7.2%	7.8%	11.0%	12.0%	5.6%	8.9%

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

	4QFY2012 RM'mil	3QFY2012 RM'mil	Variance %
Revenue	607.2	603.3	0.6
PBT	67.1	63.7	5.3
PBT margin	11.1%	10.6%	

Revenue in 4QFY2012 remained robust compared to 3QFY2012 in line with the continuing demand growth for both natural rubber and nitrile gloves from all regions. During the quarter, both main commodity prices of latex and nitrile eased compared to the preceding quarter. Latex prices declined by 10.1% (from RM7.52/kg in 3QFY2012 to RM6.76/kg in 4QFY2012) whilst nitrile prices reduced by 20% from USD1.75/kg in 3QFY2012 to USD1.40/kg in 4QFY2012. Coupled with the strengthening of the USD against RM by 2.6% (from RM3.07 in 3QFY2012 to RM3.15 in 4QFY2012), these had contributed to the improved PBT margin.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012 (CONTINUED)

16. Commentary on prospects and targets

Top Glove which is the world's largest rubber glove manufacturer has a good and established corporate culture and business direction of producing consistently high quality gloves at efficient low cost. It has forged ahead strongly to improve its glove quality, marketing strategies, productivity, cost efficiency and research & development initiatives. The Group currently has 23 factories, 446 glove production lines with a production capacity of 40.0 billion pieces of gloves per annum. It has a 11,000 strong work force to serve its growing customer base of more than 1,000 customers in 185 countries worldwide.

The Group's on-going expansion plans are as follows:-

Factory	Location	No. of additional lines	Capacity p.a	Target completion
Factory 18	Banting, Malaysia	16	1.5 billion pcs	April 2013
Factory 25	Klang, Malaysia	20	1.8 billion pcs	June 2013
Factory 23, phase 2	Ipoh, Malaysia	16	1.5 billion pcs	August 2013
	Total	52	4.8 billion pcs	

Outlook

The Group intends to continue its profitable expansion both organically and via the merger and acquisition route by using the strength of its balance sheet to create further shareholder value.

It will be embarking on a RM3 billion comprehensive investment plan to be executed over the next 15 years to further expand its production capacity and efficiency with advanced and high technology production facilities as well as invest in research and development, skilled human resources, automation and upstream activities. This RM3 billion planned investment has been recognised by the Performance Management and Delivery Unit (PEMANDU) as an Entry Point Project (EPP) under the government's Economic Transformation Programme (ETP). This investment plan further demonstrates the Group's commitment for the long term to gain a bigger market share given that the global demand for gloves will remain strong and resilient as gloves are basic necessities in the healthcare industry. Demand from both developed and emerging markets will continue to grow as healthcare standards and awareness improve.

The Group has also recently completed the acquisition of the 95% equity stake in PT. Agro Pratama Sejahtera (PT Agro) which has a plantation land size of 30,773 hectares in Sumatera, Indonesia. PT Agro holds a 60 years concession license to operate a rubber plantation, with an option to renew the concession for a further 60 years. This acquisition marks the first venture by the Group into green field rubber plantation with an investment outlay of RM450 million spread over a 13 year period to cover the land, planting and maintenance cost up to maturity of the rubber trees. With the completion of the acquisition, the Group will proceed with the land preparation for the first phase of planting with a gestation period of around 7 years. Whilst ensuring long term future consistent supply of latex, this upstream investment is expected to mitigate the impact of future volatility of latex prices on the Group's financial performance.

As for the acquisition of the 100% equity stake in GMP Medicare Sdn Bhd, it is pending completion of the remaining conditions as stipulated in the conditional Sale and Purchase Agreement.

In the near term, the Group expects the main raw material prices of latex and nitrile to trend at current levels as the ongoing Euro-zone economic crisis, weak growth in major rubber consuming countries such as the United States, China and India coupled with rising rubber production in the Asean region will continue to affect the raw material prices.

In addressing the impact of the impending minimum wage implementation come year 2013, the Group is taking concerted efforts to invest in more automation and research and development to improve the productivity and efficiency of its production lines, and thereby reduce its dependence on general workers.

17. Variance of actual profits from forecast profits

Not applicable as no profit forecast was issued.

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012 (CONTINUED)****18. Taxation**

	Quarter Ended		Year To Date Ended	
	31 Aug 2012 RM'000	31 Aug 2011 RM'000	31 Aug 2012 RM'000	31 Aug 2011 RM'000
Income tax				
- Current year	18,678	150	50,149	18,910
- (Over)/under provision in previous year	-	1,395	(8,665)	1,395
Deferred taxation	(16,829)	6,722	(7,056)	10,033
	<u>1,849</u>	<u>8,267</u>	<u>34,428</u>	<u>30,338</u>

The effective tax rate of the Group is lower than the statutory tax rate due to recognition of deferred tax assets of RM3.7 million for the unutilized tax allowances by a subsidiary and the tax-free status of certain overseas subsidiaries.

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

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

20. Purchase and disposal of quoted securities

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

21. Status of corporate proposals announced

- a) On 25 June 2012, Top Glove Corporation Berhad via its sub-subsidiary Best Advance Resources Limited has entered into a Share Sale and Purchase agreement to acquire 5,700 ordinary shares of Indonesia Rupiah 100,000 each in PT. Agro Pratama Sejahtera ("PT Agro"), representing 95% of the total issued and paid up shares of PT Agro. PT Agro was incorporated under the laws of Republic of Indonesia and is principally involved in rubber forest plantations business. The consideration for the proposed acquisition was RM22.0 million.

The proposed acquisition was completed on 2 October 2012.

- b) On 17 July 2012, Top Glove Corporation Berhad entered into a conditional Sale and Purchase Agreement to acquire the entire issued and paid-up capital of 24,000,000 ordinary shares of RM1.00 each in GMP Medicare Sdn. Bhd. ("GMP"). GMP was incorporated in Malaysia and is principally involved in manufacturing and sale of rubber gloves. The total consideration for the proposed acquisition was RM24.13 million.

The proposed acquisition is expected to be completed within 6 months from the date of the execution of the Agreement.

22. Group borrowings

The Group borrowings as at 31 August 2012 were as follows:-

	Unsecured
	RM'000
Short term borrowings	204
Long term borrowings	2,776
	<u>2,980</u>

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012 (CONTINUED)****23. Financial derivative instruments**

The Group uses derivative financial instruments, mainly foreign currency forward 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.

The details of the outstanding foreign currency forward contracts as at 31 August 2012 are as follows:-

	Notional Amount As At 31 August 2012 RM'000	Fair Value As At 31 August 2012 RM'000
US Dollar forward contracts :		
Less than 1 year	795,564	798,227

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 their financial strength.

There are also no cash requirements risks as the Group only uses foreign currency forward contracts as its hedging instruments.

With the adoption of FRS139, the fair value changes have been recognised in the income statement.

24. Realised and Unrealised Profits/Losses

	As at 31 Aug 2012 RM'000	As at 31 May 2012 RM'000
Total retained earnings of the company and its subsidiaries:		
- Realised	789,749	729,007
- Unrealised	(43,698)	(53,176)
	746,051	675,831
Add: Consolidation adjustments	844	7,553
Total group retained earnings as per consolidated accounts	746,895	683,384

25. Notes to the Statement of Comprehensive Income

Profit for the period has been arrived at after crediting / (charging):-

	Quarter ended 31 Aug 2012 RM'000	Year To Date Ended 31 Aug 2012 RM'000
Interest income	3,771	12,340
Other income including investment income	2,025	8,832
Interest expenses	(30)	(113)
Depreciation and amortization	(18,304)	(69,177)
Foreign exchange gain	(6,506)	4,304
Fair value loss on foreign exchange contracts	1,058	(5,617)

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2012 (CONTINUED)****26. Material litigation**

The Company and its subsidiaries are not engaged in any material litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiaries, and the Directors do not know of any proceedings pending or threatened or of any fact likely to give to any proceedings which might materially and/or adversely affect the position or business of the Company or subsidiaries.

27. Dividends

The Board of Directors is pleased to propose a final single tier dividend of 9 sen per ordinary share amounting to approximately RM55.70 million for the financial year ended 31 August 2012. The proposed final single tier dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

The Board of Directors has 14 June 2012, declared a first single tier interim dividend of 7 sen per ordinary share and paid on 19 July 2012, amounting to approximately RM43.31 million for the quarter ended 31 May 2012.

The total dividend paid and proposed by the Company in respect of the financial year ended 31 August 2012 is 16 sen per ordinary share represented by a payment of approximately RM99.01 million.

28. Earnings per share

	Quarter Ended		Year To Date Ended	
	31 Aug 2012	31 Aug 2011	31 Aug 2012	31 Aug 2011
Net profit attributable to owners of the Company shareholders (RM'000)	63,513	26,034	202,210	113,091
Basic				
Weighted average number of ordinary shares in issue ('000)	618,727	618,468	618,609	618,373
Basic earnings per share (sen)	10.27	4.21	32.69	18.29
Diluted				
Weighted average number of ordinary shares in issue ('000)	618,727	618,468	618,609	618,373
Effect of dilution : share options ('000)	670	667	670	667
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	619,397	619,135	619,279	619,040
Diluted earnings per share (sen)	10.25	4.20	32.65	18.27