



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,
 TPE & Industrial Gloves

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 SECOND QUARTER ENDED 28 FEBRUARY 2014

	Current Quarter	Corresponding	Current Year	Corresponding
	Ended	Quarter Ended	To Date	Year To Date
	28-Feb-2014	28-Feb-2013	28-Feb-2014	28-Feb-2013
	RM'000	RM'000	RM'000	RM'000
Revenue	548,271	576,418	1,122,257	1,160,993
Operating Expenses	(502,969)	(520,960)	(1,019,112)	(1,040,687)
Other Operating Income	5,426	5,749	8,585	11,226
Profit From Operations	50,728	61,207	111,730	131,532
Finance Costs	(427)	(60)	(627)	(90)
Share of results of associate	(192)	242	846	330
Profit Before Tax	50,109	61,389	111,949	131,772
Taxation	(7,889)	(10,063)	(17,783)	(21,550)
Profit Net of Tax	42,220	51,326	94,166	110,222
Profit Attributable to :				
Owners of the Company	41,554	50,315	91,831	107,807
Minority Interest	666	1,011	2,335	2,415
	42,220	51,326	94,166	110,222
Earnings Per Share (sen)				
Basic	6.70	8.13	14.80	17.41
Diluted	6.69	8.11	14.79	17.39

The Condensed Consolidated Income Statement should be read in conjunction with the
 Annual Financial Report for the financial year ended 31 August 2013

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2014**

	Current	Corresponding	Current	Corresponding
	Quarter Ended	Quarter Ended	Year To Date	Year To Date
	28-Feb-2014	28-Feb-2013	28-Feb-2014	28-Feb-2013
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	42,220	51,326	94,166	110,222
Other comprehensive income:				
Net gain on available-for-sale financial assets:				
- gain on fair value changes	2,480	1,274	2,556	6,857
Foreign currency translation	2,440	4,736	2,217	3,477
Fair value (loss) / gain on cash flow hedges	(1,520)	-	18,686	-
Other comprehensive income	3,400	6,010	23,459	10,334
Total comprehensive income	45,620	57,336	117,625	120,556
			-	
Total comprehensive income attributable to:				
Owners of the Company	44,740	56,003	115,163	117,923
Minority Interest	880	1,333	2,462	2,633
	45,620	57,336	117,625	120,556

The Condensed Consolidated Income Statement should be read in conjunction with the
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TOP GLOVE CORPORATION BHD.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2014**

	Unaudited as at 28-Feb-2014 RM'000	Audited as at 31-Aug-2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	972,976	928,802
Land use rights	45,231	45,647
Investment in associate	17,660	17,022
Deferred tax assets	8,700	19,165
Investment securitites	145	145
Goodwill	25,183	25,183
	1,069,895	1,035,964
Current Assets		
Inventories	218,367	219,685
Trade and other receivables	280,108	295,141
Other current assets	8,512	3,853
Investment in bonds	136,841	93,669
Cash and bank balances	146,341	123,111
	790,169	735,459
Total Assets	1,860,064	1,771,423
EQUITY AND LIABILITIES		
Current Liabilities		
Trade and other payables	230,887	234,074
Other current liabilities	23,959	28,504
Short term borrowings	191,245	55,581
Tax payable	795	6,013
Derivative liability	1,950	40,852
	448,836	365,024
Net Current Assets	341,333	370,435
Non-Current Liabilities		
Long term borrowings	2,711	2,809
Deferred tax liabilities	57,623	45,749
	60,334	48,558
Total Liabilities	509,170	413,582
Net Assets	1,350,894	1,357,841
Equity Attributable to Equity Holders of the Company		
Share capital	310,286	310,110
Share premium	182,360	180,174
Retained earnings	880,760	844,777
Other reserves	(27,631)	(3,209)
	1,345,775	1,331,852
Minority Interest	5,119	25,989
Total Equity	1,350,894	1,357,841
Total Equity and Liabilities	1,860,064	1,771,423
Net Tangible Assets per share (RM)	2.14	2.15
Net Assets per share (RM)	2.18	2.19

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2014**

	← Attributable to Equity Holders of the Company →											
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	← Non distributable →					Distributable				
		Share Capital RM'000	Share Premium RM'000	Foreign exchange reserve RM'000	Cash flow hedge reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Fair value Adjustment Reserve RM'000	Other reserve RM'000	Retained Profits RM'000	Minority Interest RM'000	
6 Months Ended 28 February 2014												
Opening balance at 1 September 2013	1,357,841	1,331,852	310,110	180,174	11,058	(31,393)	4,434	11,054	1,638	-	844,777	25,989
Total comprehensive income	117,625	115,163	-	-	2,090	18,686	-	-	2,556	-	91,831	2,462
Transactions with owners												
Issuance of ordinary shares pursuant to ESOS	1,639	1,639	176	2,186	-	-	-	(723)	-	-	-	-
Accretion of a subsidiary	(70,363)	(47,031)	-	-	-	-	-	-	(47,031)	-	-	(23,332)
Dividend on ordinary shares	(55,848)	(55,848)	-	-	-	-	-	-	-	(55,848)	-	-
Closing balance at 28 February 2014	<u>1,350,894</u>	<u>1,345,775</u>	<u>310,286</u>	<u>182,360</u>	<u>13,148</u>	<u>(12,707)</u>	<u>4,434</u>	<u>10,331</u>	<u>4,194</u>	<u>(47,031)</u>	<u>880,760</u>	<u>5,119</u>
6 Months Ended 28 February 2013												
Opening balance at 1 September 2012	1,279,853	1,255,354	309,440	174,197	5,360	-	4,434	10,331	4,181	-	747,411	24,499
Total comprehensive income	120,556	117,923	-	-	3,259	-	-	-	6,857	-	107,807	2,633
Transactions with owners												
Issuance of ordinary shares pursuant to ESOS	1,638	1,638	216	1,557	-	-	-	(135)	-	-	-	-
Dividend on ordinary shares	(55,730)	(55,730)	-	-	-	-	-	-	-	(55,730)	-	-
Dividend paid to non-controlling interest	(6,000)	-	-	-	-	-	-	-	-	-	-	(6,000)
Acquisition of subsidiary	1,304	-	-	-	-	-	-	-	-	-	-	1,304
Closing balance at 28 February 2013	<u>1,341,621</u>	<u>1,319,185</u>	<u>309,656</u>	<u>175,754</u>	<u>8,619</u>	<u>-</u>	<u>4,434</u>	<u>10,196</u>	<u>11,038</u>	<u>-</u>	<u>799,488</u>	<u>22,436</u>

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the
Annual Financial Report for the financial year ended 31 August 2013

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 28 FEBRUARY 2014**

	Current Year To Date Ended 28-Feb-2014	Corresponding Year To Date Ended 28-Feb-2013
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	111,949	131,772
Depreciation	44,617	39,884
Other adjustment	26	(14,523)
Operating profit before changes in working capital	156,592	157,133
Changes in working capital		
Net change in current assets	13,839	336
Net change in current liabilities	(7,732)	27,230
Cash flows from operating activities	162,699	184,699
Interest paid	(627)	(90)
Tax paid	(20,845)	(26,635)
Net cash flows from operating activities	141,227	157,974
Cash flows from investing activities		
(Purchase) / Proceeds from disposal of investment in bonds	(40,616)	25,660
Purchase of property, plant and equipment	(88,375)	(110,150)
Additional investment in subsidiary	(70,363)	-
Acquisition of land use rights	-	(22,000)
Acquisition of a subsidiary	-	(24,130)
Net cash flows used-in investing activities	(199,354)	(130,620)
Cash flows from financing activities		
Dividend paid on ordinary shares	(55,848)	(55,730)
Dividend paid to non-controlling interest	-	(6,000)
Proceeds from issuance of shares	1,639	1,638
Increase in borrowings	135,566	9,036
Net cash flows generated from / (used-in) financing activities	81,357	(51,056)
Net change in cash and cash equivalents	23,230	(23,702)
Cash and cash equivalents at beginning of year	123,111	167,246
Cash and cash equivalents at end of period	146,341	143,544
Breakdown of cash and cash equivalents at end of period		
Bank and cash balances	146,341	143,544

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2013



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ISO 9001

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2014

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysia Financial Reporting Standard ("MFRS") 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 of the Group for the financial year ended 31 August 2013. 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 2013.

The audited financial statements of the Group for the year ended 31 August 2013 were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"). The significant accounting policies and method of computations adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 31 August 2013.

2. Auditors' report

The audited financial statements for the financial year ended 31 August 2013 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 28 February 2014.

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2014 (CONTINUED)

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 28 February 2014, a total of 61,900 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 28 February 2014 are as follows:-

	No. of shares	RM
As at 30 November 2013	620,510,162	310,255,081
Ordinary shares issued pursuant to the ESOS	61,900	30,950
As at 28 February 2014	620,572,062	310,286,031

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

For the financial year ended 31 August 2013, the Company:-

- On 18 July 2013, paid a 1st interim single tier dividend of 7 sen per ordinary share amounting to RM43.40 million.
- On 24 January 2014, paid a final single tier dividend of 9 sen per ordinary share amounting to RM55.85 million which was approved in the Company's Annual General Meeting held on 7 January 2014.

The total dividend paid by the Company in respect of the financial year ended 31 August 2013 is 16 sen per ordinary share represented by a net payment of RM99.25 million.

Record of dividends paid:-

Financial Year	Net Dividend per share (sen)	Total Dividend (RM'000)
2013	16.00	99,252
2012	16.00	99,038
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		554,835

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 SECOND QUARTER ENDED 28 FEBRUARY 2014 (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.

6 months ended 28 February 2014

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>						
External sales	902,160	113,578	52,900	53,619	-	1,122,257
Inter-segment sales	16,364	186,551	1,850	-	(204,765)	-
Total Revenue	<u>918,524</u>	<u>300,129</u>	<u>54,750</u>	<u>53,619</u>	<u>(204,765)</u>	<u>1,122,257</u>
<u>Result</u>						
Segment profit	105,870	12,228	(10,620)	4,252	-	111,730
Finance cost						(627)
Share of profit of Associate						846
Profit before tax						<u>111,949</u>
<u>Assets</u>						
Segment assets	1,292,716	211,335	106,415	206,755		<u>1,817,221</u>
Goodwill						<u>25,183</u>
Investment in Associate						<u>17,660</u>
<u>Liabilities</u>						
Segment liabilities	403,557	24,597	22,537	58,479		<u>509,170</u>
<u>Other information</u>						
Capital expenditure	85,665	2,224	-	486		<u>88,375</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 SECOND QUARTER ENDED 28 FEBRUARY 2014 (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 RM118.0 million.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

14. Review of performance

The Group's performance for the second quarter ended 28 February 2014 ("2QFY2014") compared with the corresponding quarter last financial year is as tabled below:

	2QFY2014	2QFY2013	Variance
	RM'mil	RM'mil	%
Revenue	548.3	576.4	(4.9)
PBT	50.1	61.4	(18.4)
PBT Margin	9.1%	10.7%	

The Group registered a revenue of RM548.3 million for 2QFY2014, which eased 4.9% compared with the corresponding quarter in the previous financial year, mainly due to the decline in the average selling price.

Meanwhile, profit before taxation ("PBT") was RM50.1 million, compared with RM61.4 million in 2QFY2013. The weaker performance was on the back of margin pressure from increased competition. Losses from its China operations amounting to RM5.4 million, unfavourably impacted the Group's bottomline as well. Also contributing to the decline were forex losses, arising from previously entered forward contract rates that were lower than prevailing market forex rates.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2014 (CONTINUED)**
14. Review of performance (continued)

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

RM 'mil	Financial year ended 31 August													1HFY14 (unaudited)
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
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	2,314.5	2,313.2	1,122.3
EBITDA	23.9	27.1	39.5	60.6	89.2	130.3	175.7	197.8	287.5	364.7	207.3	310.0	323.3	157.2
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%	14.0%	14.0%
PBT	17.2	20.2	29.3	45.2	65.7	91.8	118.6	134.6	222.0	305.0	145.5	240.7	242.2	111.9
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%	10.5%	10.0%
Taxation	1.3	2.2	3.6	5.3	7.5	7.0	29.9	26.5	53.9	54.6	30.3	33.4	39.4	17.8
PAT	15.9	18.0	25.7	39.9	58.2	84.8	88.7	108.1	168.1	250.4	115.1	207.3	202.8	94.2
PAT margin	11.4%	10.0%	9.7%	9.5%	9.1%	8.5%	7.2%	7.8%	11.0%	12.0%	5.6%	9.0%	8.8%	8.4%

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2014 (CONTINUED)

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

	2QFY2014 RM'mil	1QFY2014 RM'mil	Variance %
Revenue	548.3	574.0	(4.5)
PBT	50.1	61.8	(18.9)
PBT margin	9.1%	10.8%	

Revenue eased by 4.5% from RM574.0 million in 1QFY2014 to RM548.3 million in 2QFY2014, due to the decline in the average selling price. PBT in 2QFY2014 contracted by 18.9% to RM50.1 million from RM61.8 million in 1QFY2014, mainly attributed to margin pressure from increased competition.

16. Commentary on prospects and targets

The Group remains focussed on pursuing quality expansion and will proceed with plans to add another 6 nitrile glove lines to its existing Factory 27 in Lukut by May 2014, as well as the completion of a new facility (Factory 29) in Klang by December 2014. This will boost the number of production lines from 464 to 484 and increase production capacity from 41.3 billion to 43.5 billion pieces of gloves per annum.

The Group expects the glove business environment to remain competitive and challenging. However, with better cost-discipline and cost-optimisation practices in place, coupled with an unwavering focus on quality across all aspects of its operations, the Group is confident of navigating its way through this challenging time, to deliver an improved performance in the quarters ahead.

17. Variance of actual profits from forecast profits

Not applicable as no profit forecast was issued.

18. Taxation

	Quarter Ended		Year To Date Ended	
	28 Feb 2014 RM'000	28 Feb 2013 RM'000	28 Feb 2014 RM'000	28 Feb 2013 RM'000
Income tax				
- Current year	6,941	7,218	15,129	16,163
- Under provision in previous year	-	-	498	-
Deferred taxation	948	2,845	2,156	5,387
	<u>7,889</u>	<u>10,063</u>	<u>17,783</u>	<u>21,550</u>

The effective tax rate of the Group is lower than the statutory tax rate due to 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2014 (CONTINUED)

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

As announced on 11 October 2013, in connection with the proposed voluntary delisting of Medi-Flex Limited (“Medi-Flex”) from the Catalist of the Singapore Exchange Securities Trading Limited pursuant to Rules 1307 and 1308 of the Catalist Rules (“Proposed Delisting”), Top Glove Sdn Bhd (the “Offeror”) has made a cash offer at an offer price of SGD0.15 per share to purchase all of the issued ordinary shares (excluding treasury shares) in the capital of Medi-Flex (“Shares”), other than those Shares held by the Offeror, its related corporations or their nominees, on the terms and subject to the conditions set out in the Joint Announcement and the Exit Offer Letter, in accordance with Section 139 of the Securities and Future Act (Cap 289) and the Singapore Code on Take-overs and Mergers.

The resolution approving the Proposed Delisting was duly passed by the Shareholders at an extraordinary general meeting held on 30 December 2013 in accordance with the requirement of Rule 1307 of the Catalist Rules. On 10 February 2014, the Offeror exercised its right of compulsory acquisition (the “Compulsory Acquisition”) under Section 215(1) of the Companies Act (Chapter 50 of Singapore) (the “Companies Act”). Medi-Flex will be delisted from the SGX-ST on or around 24 March 2014. A further announcement confirming the delisting date will be made in due course.

22. Group borrowings

The Group borrowings as at 28 February 2014 were as follows:-

	As at 28 Feb 2014 Unsecured RM'000	As at 28 Feb 2013 Unsecured RM'000
Short term borrowings	191,245	9,325
Long term borrowings	2,711	2,687
	193,956	12,012

Borrowings are mainly denominated in US Dollar amounting to USD59.15 million as at 28 February 2014 (28 February 2013: USD3.82 million), with the balance in RM and Euro.

23. Fair value hierarchy

The Group uses the following hierarchy in determining the fair value of all financial instruments carried at fair value :

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs that are based on observable market data, either directly or indirectly

Level 3 – Inputs that are not based on observable market data

As at 28 February 2014, the Group held the following financial assets that are measured at fair value :-

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Assets measured at fair value: Available-for-sale financial assets	136,841		136,841
Liabilities measured at fair value: Derivative liabilities		1,950	1,950

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2014 (CONTINUED)****24. Realised and Unrealised Profits/Losses**

	As at 28 Feb 2014 RM'000	As at 30 Nov 2013 RM'000
Total retained earnings of the company and its subsidiaries:		
- Realised	940,006	939,073
- Unrealised	(44,999)	(32,829)
	<hr/> 895,007	<hr/> 906,244
(Less)/Add: Consolidation adjustments	(14,247)	(11,190)
	<hr/> 880,760	<hr/> 895,054
	<hr/> <hr/>	<hr/> <hr/>

25. Notes to the Statement of Comprehensive Income

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

	Quarter ended 28 Feb 2014 RM'000	Year To Date Ended 28 Feb 2014 RM'000
Interest income	2,031	4,479
Other income including investment income	3,834	4,106
Interest expenses	(427)	(627)
Depreciation and amortization	(22,772)	(44,617)
Foreign exchange loss	(8,386)	(15,489)
Fair value gain on foreign exchange contracts	1,339	1,777

26. Other Comprehensive Income

The Company has designated all of its foreign currency forward contracts entered into as effective hedge and has applied hedge accounting upon recognition on all of the forward contracts outstanding.

27. Material litigation

The Company's subsidiaries, namely Top Glove Sdn. Bhd., TG Medical Sdn. Bhd. and Flexitech Sdn. Bhd. were served a writ of summons on 18 January 2013 by Sentinel Engineering Sdn. Bhd. and Hartalega Sdn. Bhd., claiming damages on the alleged infringement of the arrangement of assembling former holders, claimed in features of Patent No. MY 140770-A. The writ of summons was also served on 3 other glove manufacturing companies and 2 suppliers of glove machinery parts or components. Our subsidiaries have filed their defence and counterclaims on 22 April 2013 and the Plaintiffs have filed their reply and defence to counterclaims on 27 September 2013. The next case management hearing will be on 18 April 2014. Top Glove is the proprietor of Malaysian Patent No. MY 147689-A for former carrying assembly.

Save as disclosed above, 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.

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2014 (CONTINUED)****28. Dividends**

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

The total dividend declared by the Company in respect of the financial year ended 31 August 2013 is 16 sen per ordinary share amounting to RM99.25 million. The Company paid a first single tier interim dividend of 7 sen per ordinary share amounting to RM43.40 million on 18 July 2013 and a final single tier dividend of 9 sen per ordinary share amounting to RM55.85 million on 24 January 2014, which was approved in the Company's Annual General Meeting on 7 January 2014.

29. Earnings per share

	Quarter Ended		Year To Date Ended	
	28 Feb 2014	28 Feb 2013	28 Feb 2014	28 Feb 2013
Net profit attributable to owners of the Company shareholders (RM'000)	41,554	50,315	91,831	107,807
Basic				
Weighted average number of ordinary shares in issue ('000)	620,374	619,218	620,465	619,088
Basic earnings per share (sen)	6.70	8.13	14.80	17.41
Diluted				
Weighted average number of ordinary shares in issue ('000)	620,374	619,218	620,465	619,088
Effect of dilution : share options ('000)	582	846	582	846
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	620,956	620,064	621,047	619,934
Diluted earnings per share (sen)	6.69	8.11	14.79	17.39