



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

Corporate Office : A-11-01, Empire Subang Office, Jalan SS16/1, 47500 Subang Jaya, Selangor
 D.E., Malaysia.

Tel: +603-5022 2110

Fax: +603-5022 2113

Website : www.topglove.com.my

E-mail : invest@topglove.com.my



CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 31 MAY 2014

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31-May-2014	31-May-2013	31-May-2014	31-May-2013
	RM'000	RM'000	RM'000	RM'000
Revenue	573,998	604,082	1,696,255	1,765,075
Operating Expenses	(526,377)	(568,418)	(1,545,489)	(1,609,105)
Other Operating Income	6,742	7,061	15,327	18,287
Profit From Operations	54,363	42,725	166,093	174,257
Finance Costs	(458)	(73)	(1,085)	(163)
Share of results of associate	1,208	721	2,054	1,051
Profit Before Tax	55,113	43,373	167,062	175,145
Taxation	(12,125)	(1,828)	(29,908)	(23,378)
Profit Net of Tax	42,988	41,545	137,154	151,767
Profit Attributable to :				
Owners of the Company	42,373	40,271	134,204	148,078
Minority Interest	615	1,274	2,950	3,689
	42,988	41,545	137,154	151,767
Earnings Per Share (sen)				
Basic	6.83	6.50	21.63	23.91
Diluted	6.82	6.49	21.60	23.89

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 THIRD QUARTER ENDED 31 MAY 2014**

	Current	Corresponding	Current	Corresponding
	Quarter Ended	Quarter Ended	Year To Date	Year To Date
	31-May-2014	31-May-2013	31-May-2014	31-May-2013
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	42,988	41,545	137,154	151,767
Other comprehensive income:				
Net (loss) / gain on available-for-sale financial assets:				
- (loss) / gain on fair value changes	(3,103)	(2,052)	(547)	4,805
Foreign currency translation	(4,004)	1,639	(1,787)	5,116
Fair value gain on cash flow hedges	4,527	-	23,213	-
Other comprehensive income	(2,580)	(413)	20,879	9,921
Total comprehensive income	40,408	41,132	158,033	161,688
Total comprehensive income attributable to:				
Owners of the Company	39,927	39,555	155,090	157,478
Minority Interest	481	1,577	2,943	4,210
	40,408	41,132	158,033	161,688

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 FINANCIAL POSITION
AS AT 31 MAY 2014**

	Unaudited as at 31-May-2014 RM'000	Audited as at 31-Aug-2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	979,454	928,802
Land use rights	43,241	45,647
Investment in associate	18,734	17,022
Deferred tax assets	17,400	19,165
Investment securitites	145	145
Goodwill	25,183	25,183
	<u>1,084,157</u>	<u>1,035,964</u>
Current Assets		
Inventories	198,154	219,685
Trade and other receivables	304,871	295,141
Other current assets	9,508	3,853
Investment in bonds	29,338	93,669
Cash and bank balances	345,228	123,111
Derivative financial instruments	2,326	-
	<u>889,425</u>	<u>735,459</u>
Total Assets	<u><u>1,973,582</u></u>	<u><u>1,771,423</u></u>
EQUITY AND LIABILITIES		
Current Liabilities		
Trade and other payables	272,290	234,074
Other current liabilities	48,770	28,504
Short term borrowings	187,552	55,581
Tax payable	17,232	6,013
Derivative financial instruments	-	40,852
Dividend payable	43,444	-
	<u>569,288</u>	<u>365,024</u>
Net Current Assets	<u><u>320,137</u></u>	<u><u>370,435</u></u>
Non-Current Liabilities		
Long term borrowings	2,627	2,809
Deferred tax liabilities	56,994	45,749
	<u>59,621</u>	<u>48,558</u>
Total Liabilities	<u><u>628,909</u></u>	<u><u>413,582</u></u>
Net Assets	<u><u>1,344,673</u></u>	<u><u>1,357,841</u></u>
Equity Attributable to Equity Holders of the Company		
Share capital	310,317	310,110
Share premium	182,867	180,174
Retained earnings	879,689	844,777
Other reserves	(31,944)	(3,209)
	<u>1,340,929</u>	<u>1,331,852</u>
Minority Interest	<u>3,744</u>	<u>25,989</u>
Total Equity	<u><u>1,344,673</u></u>	<u><u>1,357,841</u></u>
Total Equity and Liabilities	<u><u>1,973,582</u></u>	<u><u>1,771,423</u></u>
Net Tangible Assets per share (RM)	2.13	2.15
Net Assets per share (RM)	2.17	2.19

TOP GLOVE CORPORATION BHD

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MAY 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	
9 Months Ended 31 May 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	158,033	155,090	-	-	(1,780)	23,213	-	-	(547)	-	134,204	2,943
Transactions with owners												
Issuance of ordinary shares pursuant to ESOS	1,854	1,854	207	2,693	-	-	-	(1,046)	-	-	-	-
Accretion of a subsidiary	(73,184)	(48,575)	-	-	-	-	-	-	-	(48,575)	-	(24,609)
Dividend on ordinary shares	(99,292)	(99,292)	-	-	-	-	-	-	-	-	(99,292)	-
Dividend paid to non-controlling interest	(579)	-	-	-	-	-	-	-	-	-	-	(579)
Closing balance at 31 May 2014	<u>1,344,673</u>	<u>1,340,929</u>	<u>310,317</u>	<u>182,867</u>	<u>9,278</u>	<u>(8,180)</u>	<u>4,434</u>	<u>10,008</u>	<u>1,091</u>	<u>(48,575)</u>	<u>879,689</u>	<u>3,744</u>
9 Months Ended 31 May 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	161,688	157,478	-	-	4,595	-	-	-	4,805	-	148,078	4,210
Transactions with owners												
Issuance of ordinary shares pursuant to ESOS	5,956	5,956	511	4,912	-	-	-	533	-	-	-	-
Dividend on ordinary shares	(99,123)	(99,123)	-	-	-	-	-	-	-	-	(99,123)	-
Dividend paid to non-controlling interest	(6,228)	-	-	-	-	-	-	-	-	-	-	(6,228)
Acquisition of subsidiary	1,301	-	-	-	-	-	-	-	-	-	-	1,301
Closing balance at 31 May 2013	<u>1,343,447</u>	<u>1,319,665</u>	<u>309,951</u>	<u>179,109</u>	<u>9,955</u>	<u>-</u>	<u>4,434</u>	<u>10,864</u>	<u>8,986</u>	<u>-</u>	<u>796,366</u>	<u>23,782</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

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MAY 2014**

	Current Year To Date Ended 31-May-2014	Corresponding Year To Date Ended 31-May-2013
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	167,062	175,145
Depreciation	68,698	60,411
Other adjustment	(3,021)	(8,506)
Operating profit before changes in working capital	<u>232,739</u>	<u>227,050</u>
Changes in working capital		
Net change in current assets	8,198	(2,195)
Net change in current liabilities	53,962	(8,448)
Cash flows from operating activities	<u>294,899</u>	<u>216,407</u>
Interest paid	(1,085)	(163)
Tax paid	(28,233)	(29,224)
Net cash flows from operating activities	<u>265,581</u>	<u>187,020</u>
Cash flows from investing activities		
Proceeds from disposal of investment securities	69,448	14,277
Purchase of property, plant and equipment	(116,944)	(169,740)
Purchase of land use rights	-	(22,000)
Acquisition of a subsidiary	-	(24,130)
Additional investment in subsidiary	(73,184)	-
Investment in an associate	-	(12,204)
Net cash flows used-in investing activities	<u>(120,680)</u>	<u>(213,797)</u>
Cash flows from financing activities		
Dividend paid on ordinary shares	(55,848)	(55,730)
Dividend paid to non-controlling interest	(579)	(6,228)
Proceeds from issuance of shares	1,854	5,956
Increase in borrowings	131,789	21,796
Net cash flows (used-in) / generated from financing activities	<u>77,216</u>	<u>(34,206)</u>
Net change in cash and cash equivalents	222,117	(60,983)
Cash and cash equivalents at beginning of year	<u>123,111</u>	<u>167,246</u>
Cash and cash equivalents at end of period	<u>345,228</u>	<u>106,263</u>
Breakdown of cash and cash equivalents at end of period		
Bank and cash balances	<u>345,228</u>	<u>106,263</u>

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



AWARDED
ISO 9001

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

Corporate Office : A-11-01, Empire Subang Office, Jalan SS16/1, 47500 Subang Jaya, Selangor D.E., Malaysia.

Tel: +603-5022 2110

Fax: +603-5022 2113

Website : www.topglove.com.my

E-mail : invest@topglove.com.my



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 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 31 May 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.

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 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 31 May 2014, a total of 61,000 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 May 2014 are as follows:-

	No. of shares	RM
As at 28 February 2014	620,572,062	310,286,031
Ordinary shares issued pursuant to the ESOS	61,000	30,500
As at 31 May 2014	620,633,062	310,316,531

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.

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 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.

9 months ended 31 May 2014

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>						
External sales	1,370,135	163,955	78,746	83,419	-	1,696,255
Inter-segment sales	29,011	263,870	2,426	-	(295,307)	-
Total Revenue	<u>1,399,146</u>	<u>427,825</u>	<u>81,172</u>	<u>83,419</u>	<u>(295,307)</u>	<u>1,696,255</u>
<u>Result</u>						
Segment profit	149,379	16,481	(11,207)	11,440	-	166,093
Finance cost						(1,085)
Share of profit of Associate						2,054
Profit before tax						<u>167,062</u>
<u>Assets</u>						
Segment assets	1,413,686	196,250	109,716	210,013		<u>1,929,665</u>
Goodwill						<u>25,183</u>
Investment in Associate						<u>18,734</u>
<u>Liabilities</u>						
Segment liabilities	508,237	28,306	34,288	58,078		<u>628,909</u>
<u>Other information</u>						
Capital expenditure	112,570	3,733	437	204		<u>116,944</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.

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2014 (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 the date of this announcement, which will materially affect the earnings or income of the Group.

11. Changes in the composition of the group

On 13 June 2014, the Company via its wholly-owned subsidiary, Top Glove Sdn Bhd (“TGSB”) has completed the disposal of Top Glove (Zhangjiagang) Co., Ltd, (“TGZJG”). The Disposal was part of the Top Glove Group’s on-going cost rationalization and business streamlining strategy.

Save as disclosed above, there were no other significant changes in the composition of the Group for the quarter under review.

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 approved and contracted for capital expenditures amounting approximately to RM93.0 million.

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2014 (CONTINUED)

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

14. Review of performance

The Group's performance for the third quarter ("3QFY2014") and nine months ("9MFY2014") ended 31 May 2014 compared with the corresponding periods last financial year are as tabled below:

	3QFY2014	3QFY2013	Variance	9MFY2014	9MFY2013	Variance
	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Revenue	574.0	604.1	(5.0)	1,696.3	1,765.1	(3.9)
PBT	55.1	43.4	27.0	167.1	175.1	(4.6)
PBT Margin	9.6%	7.2%		9.9%	9.9%	

The Group registered a revenue of RM574.0 million for 3QFY2014, which eased 5.0% compared with the corresponding quarter in the previous financial year, mainly due to the decrease in the average selling price from declining raw material prices.

Profit before taxation ("PBT") in 3QFY2014 increased by 27% to RM55.1 million from RM43.4 million a year ago. The marked improvement in PBT was largely attributed to improved operations efficiency, lower raw material prices and stronger USD. Latex prices declined by 22.2% (from an average of RM5.98/kg in 3QFY2013 to RM4.65/kg in 3QFY2014) while nitrile prices fell by 7.6% (from an average of RM3.84/kg in 3QFY2013 to RM3.55/kg in 3QFY2014). These had further contributed to the improved PBT margins from 7.2% to 9.6%.

Meanwhile for 9MFY2014, both revenue and PBT eased 3.9% and 4.6% to RM1.7 billion and RM167.1 million respectively compared with 9MFY2013. Although revenue had declined, there was an improvement of 2.0% in sales volume on the back of lower average selling price. The improved contribution from higher sales were offset by increased competition, particularly in the nitrile glove segment, and cost increases following unremitting hikes in electricity and natural gas tariffs which came into effect this year. The Group will continue to work closely with customers to overcome these challenges.

The Group continues to maintain its strong balance sheet position with net cash and short term investments of RM184.4 million as at 31 May 2014.

The Board of Directors has on today, 17 June 2014 declared a first single tier interim dividend of 7 sen (net) per ordinary share for this quarter, payable on 17 July 2014.

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 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													9MFY14 (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	1,696.3
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	236.8
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	167.1
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%	9.9%
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	29.9
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	137.2
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%	8.1%

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2014 (CONTINUED)

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

	3QFY2014 RM'mil	2QFY2014 RM'mil	Variance %
Revenue	574.0	548.3	4.7
PBT	55.1	50.1	10.0
PBT margin	9.6%	9.1%	

Revenue rose 4.7% from RM548.3 million in 2QFY2014 to RM574.0 million in 3QFY2014, buoyed by a 6.2% growth in sales volume achieved across all the glove segments, especially nitrile gloves.

The Group posted a 10% increase in PBT to RM55.1 million from RM50.1 million in the immediate preceding quarter, mainly attributed to the higher sales volume, aggressive cost-discipline and cost-optimisation practices that have been put in place, improvement in China operations performance, and foreign exchange gain (as opposed to foreign exchange loss in 2QFY2014).

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, Port Dickson by August 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 42.0 billion to 44.2 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 via continuous automation 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	
	31 May 2014 RM'000	31 May 2013 RM'000	31 May 2014 RM'000	31 May 2013 RM'000
Income tax				
- Current year	13,853	4,975	28,982	21,138
- Overprovision in previous year	(3,161)	(4,718)	(2,663)	(4,718)
Deferred taxation	1,433	1,571	3,589	6,958
	<u>12,125</u>	<u>1,828</u>	<u>29,908</u>	<u>23,378</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.

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2014 (CONTINUED)

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

In connection with the proposed voluntary delisting of Medi-Flex Limited (“Medi-Flex”) from the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) pursuant to Rules 1307 and 1308 of the Catalist Rules, Medi-Flex has been delisted from the SGX-ST on 24 March 2014.

22. Group borrowings

The Group borrowings as at 31 May 2014 were as follows:-

	As at 31 May 2014 Unsecured RM'000	As at 31 May 2013 Unsecured RM'000
Short term borrowings	187,552	22,136
Long term borrowings	2,627	2,636
	<u>190,179</u>	<u>24,772</u>

Borrowings are mainly denominated in US Dollar amounting to USD59.17 million as at 31 May 2014 (31 May 2013: USD8.01 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 31 May 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	29,338		29,338
Derivative financial instruments		2,326	2,326

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2014 (CONTINUED)****24. Realised and Unrealised Profits/Losses**

	As at 31 May 2014 RM'000	As at 28 Feb 2014 RM'000
Total retained earnings of the company and its subsidiaries:		
- Realised	928,509	940,006
- Unrealised	(35,765)	(44,999)
	<hr/> 892,744	<hr/> 895,007
Less: Consolidation adjustments	(13,055)	(14,247)
	<hr/> 879,689	<hr/> 880,760
	<hr/> <hr/>	<hr/> <hr/>

25. Notes to the Statement of Comprehensive Income

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

	Quarter ended 31 May 2014 RM'000	Year To Date Ended 31 May 2014 RM'000
Interest income	1,765	6,244
Other income including investment income	4,977	9,083
Interest expenses	(458)	(1,085)
Depreciation and amortization	(24,081)	(68,698)
Foreign exchange gain/(loss)	1,255	(14,234)
Fair value gain on foreign exchange contracts	-	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

As announced on 2 June 2014, the legal suit pertaining to the alleged patent infringement has been amicably resolved wherein all claims and counterclaims have been withdrawn.

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 THIRD QUARTER ENDED 31 MAY 2014 (CONTINUED)****28. Dividends**

The Board of Directors has on today, 17 June 2014, declared a first single tier interim dividend of 7 sen (net) per ordinary share payable on 17 July 2014, amounting to approximately RM43.44 million for the quarter ended 31 May 2014.

29. Earnings per share

	Quarter Ended		Year To Date Ended	
	31 May 2014	31 May 2013	31 May 2014	31 May 2013
Net profit attributable to owners of the Company shareholders (RM'000)	42,373	40,271	134,204	148,078
Basic				
Weighted average number of ordinary shares in issue ('000)	620,443	619,474	620,475	619,216
Basic earnings per share (sen)	6.83	6.50	21.63	23.91
Diluted				
Weighted average number of ordinary shares in issue ('000)	620,443	619,474	620,475	619,216
Effect of dilution : share options ('000)	880	610	880	610
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	621,323	620,084	621,355	619,826
Diluted earnings per share (sen)	6.82	6.49	21.60	23.89