



**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 FIRST QUARTER ENDED 30 NOVEMBER 2011**

	<b>Current Quarter Ended</b>	<b>Corresponding Quarter Ended</b>	<b>Current Year To Date</b>	<b>Corresponding Year To Date</b>
	<b>30-Nov-2011</b>	<b>30-Nov-2010</b>	<b>30-Nov-2011</b>	<b>30-Nov-2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	554,843	491,509	554,843	491,509
Operating Expenses	(517,234)	(450,261)	(517,234)	(450,261)
Other Operating Income	4,052	3,089	4,052	3,089
<b>Profit From Operations</b>	<b>41,661</b>	<b>44,337</b>	<b>41,661</b>	<b>44,337</b>
Finance Costs	(28)	(37)	(28)	(37)
Share of (loss)/gain of associate	(42)	105	(42)	105
<b>Profit Before Taxation</b>	<b>41,591</b>	<b>44,405</b>	<b>41,591</b>	<b>44,405</b>
Taxation	(9,136)	(8,072)	(9,136)	(8,072)
<b>Profit for the year</b>	<b>32,455</b>	<b>36,333</b>	<b>32,455</b>	<b>36,333</b>
<b>Profit Attributable to :</b>				
Owners of the Company	31,432	36,050	31,432	36,050
Minority Interest	1,023	283	1,023	283
	<b>32,455</b>	<b>36,333</b>	<b>32,455</b>	<b>36,333</b>
<b>Earnings Per Share (sen)</b>				
Basic	5.08	5.83	5.08	5.83
Diluted	5.08	5.82	5.08	5.82

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 STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2011**

	<b>Current</b>	<b>Corresponding</b>	<b>Current Year</b>	<b>Corresponding</b>
	<b>Quarter Ended</b>	<b>Quarter Ended</b>	<b>To Date</b>	<b>Year To Date</b>
	<b>30-Nov-2011</b>	<b>30-Nov-2010</b>	<b>30-Nov-2011</b>	<b>30-Nov-2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the year	32,455	36,333	32,455	36,333
<b>Other comprehensive income:</b>				
Net (loss)/gain on available-for-sale financial assets:				
- (loss)/gain on fair value changes	(1,911)	1,601	(1,911)	1,601
Foreign currency translation	6,891	2,272	6,891	2,272
<b>Other comprehensive income for the year</b>	<b>4,980</b>	<b>3,873</b>	<b>4,980</b>	<b>3,873</b>
<b>Total comprehensive income for the year</b>	<b>37,435</b>	<b>40,206</b>	<b>37,435</b>	<b>40,206</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	35,791	39,603	35,791	39,603
Minority Interest	1,644	603	1,644	603
	<b>37,435</b>	<b>40,206</b>	<b>37,435</b>	<b>40,206</b>

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)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2011**

	Unaudited as at 30-Nov-2011 RM'000	Audited as at 31-Aug-2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	678,532	660,692
Land use rights	18,605	19,608
Investment in associate	6,322	7,039
Investment securities	146	146
Goodwill	20,113	20,113
	723,718	707,598
<b>Current Assets</b>		
Inventories	202,003	175,532
Trade and other receivables	216,950	262,129
Other current assets	4,015	4,316
Tax recoverable	14,679	13,228
Investment securities	107,413	108,512
Cash and bank balances	213,289	148,760
Derivative asset	-	2,954
	758,349	715,431
<b>Total Assets</b>	<b>1,482,067</b>	<b>1,423,029</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	191,221	194,611
Other current liabilities	33,458	34,644
Short term borrowings	156	157
Derivative liability	21,903	-
	246,738	229,412
<b>Net Current Assets</b>	<b>511,611</b>	<b>486,019</b>
<b>Non-Current Liabilities</b>		
Long term borrowings	2,997	2,851
Deferred tax liabilities	47,134	44,393
	50,131	47,244
<b>Total Liabilities</b>	<b>296,869</b>	<b>276,656</b>
<b>Net Assets</b>	<b>1,185,198</b>	<b>1,146,373</b>
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	309,261	309,256
Share premium	171,374	171,780
Retained profit	657,368	625,936
Others	21,763	14,831
	1,159,766	1,121,803
<b>Minority Interest</b>	<b>25,432</b>	<b>24,570</b>
<b>Total Equity</b>	<b>1,185,198</b>	<b>1,146,373</b>
<b>Total Equity and Liabilities</b>	<b>1,482,067</b>	<b>1,423,029</b>
Net Tangible Assets per share (RM)	1.88	1.82
Net Assets per share (RM)	1.92	1.85

The Condensed Consolidated Balance Sheet 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 CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2011**

	←----- Attributable to Equity Holders of the Company ----->										
	←----- Equity attributable to owners of the parent, ←----- total RM'000			Non distributable Foreign exchange reserve Legal reserve Share option reserve Fair value Adjustment Reserve RM'000				-----> Distributable Retained Profits RM'000			Minority Interest RM'000
	Equity, total RM'000	Share Capital RM'000	Share Premium 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	
<b>3 Months Ended 30 November 2011</b>											
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	37,435	35,791	-	-	6,270	-	-	(1,911)	31,432	1,644	
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	27	27	5	(406)	-	-	428	-	-	-	
Share options granted under ESOS	2,145	2,145	-	-	-	-	2,145	-	-	-	
Dividend paid to minority interests	(782)	-	-	-	-	-	-	-	-	(782)	
Closing balance at 30 November 2011	1,185,198	1,159,766	309,261	171,374	8,036	3,604	12,450	(2,327)	657,368	25,432	
<b>3 Months Ended 30 November 2010</b>											
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	3,026	3,026	-	-	-	-	-	-	3,026	-	
Total comprehensive income	40,206	39,603	-	-	1,952	-	-	1,601	36,050	603	
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	523	523	86	743	-	-	(306)	-	-	-	
Closing balance at 30 November 2010	1,160,121	1,135,654	309,167	171,306	2,743	2,400	9,954	1,601	638,483	24,467	

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 2011

**TOP GLOVE CORPORATION BHD.**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD YEAR ENDED 30 NOVEMBER 2011**

	Current Year To Date Ended 30-Nov-2011	Corresponding Year To Date Ended 30-Nov-2010
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	41,591	44,405
Other adjustment	33,677	16,626
<b>Operating profit before changes in working capital</b>	<u>75,268</u>	<u>61,031</u>
<b>Changes in working capital</b>		
Net change in current assets	29,384	53,053
Net change in current liabilities	(4,576)	(16,442)
Cash flows from operating activities	<u>100,076</u>	<u>97,642</u>
Tax paid	(7,846)	(24,561)
<b>Net cash flows from operating activities</b>	<u>92,230</u>	<u>73,081</u>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(812)	(38,112)
Purchase of property, plant and equipment	(26,279)	(33,832)
	<u>65,139</u>	<u>1,137</u>
<b>Cash flows from financing activities</b>		
Dividend paid to minority shareholders	(782)	-
Proceeds from issuance of shares	27	523
Increase in borrowings	145	2,085
<b>Net change in cash and cash equivalents</b>	<u>64,529</u>	<u>3,745</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>148,760</u>	<u>262,930</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>213,289</u></u>	<u><u>266,675</u></u>
<b>Breakdown of cash and cash equivalents at end of period</b>		
Bank and cash balances	<u><u>213,289</u></u>	<u><u>266,675</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 FIRST QUARTER ENDED 30 NOVEMBER 2011

### 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 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 30 November 2011.

### 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 2<sup>nd</sup> Employee Share Option Scheme ("ESOS II") was implemented on 1 August 2008. During the quarter ended 30 November 2011, a total of 9,400 new ordinary shares of RM0.50 each were issued and allotted pursuant to the exercise of the ESOS II. The details of the issued and paid-up capital of the Company as at 30 November 2011 are as follows :-

	No. of shares	RM
As at 31 August 2011	618,512,962	309,256,481
Ordinary shares issued pursuant to the ESOS	9,400	4,700
As at 30 November 2011	618,522,362	309,261,181

## TOP GLOVE CORPORATION BHD.

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2011 (CONTINUED)

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

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

#### 7. Dividends paid

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

- i) On 21 July 2011, paid an interim single tier dividend of 5 sen amounting to RM30.92 million.
- ii) On 11 October 2011, a final single tier dividend of 6 sen amounting to approximately RM37.11 million for the financial year ended 31 August was proposed. The proposed final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting on 10 January 2012.

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

For the financial year ended 31 August 2010, the Company:-

- i) On 23 July 2010, paid an interim single tier dividend of 7 sen amounting to RM43.23 million.
- ii) On 20 January 2011, the Company paid a final single tier dividend of 9 sen amounting to RM55.65 million which was approved in the Company's Annual General Meeting held on 11 January 2011.

The total dividend paid by the Company in respect of the financial year ended 31 August 2010 was 16 sen per share represented by a net payment of RM98.88 million.

Record of dividends paid :-

Financial Year	Net Dividend per share (sen)	Total Dividend (RM'000)
2011	5.00 (interim)	30,923
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
<b>Total</b>		<b>319,433</b>

Note : Net dividend per share has been adjusted to reflect :

- a) Subdivision of shares from one ordinary share of RM1.00 to two ordinary shares of RM0.50 each which was completed in February 2005.
- b) Bonus issue of 30% in April 2002, 40% in April 2003, 40% in February 2007 and 100% in July 2010

## TOP GLOVE CORPORATION BHD.

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2011 (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.

#### **3 months ended 30 November 2011**

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b><u>Revenue</u></b>						
External sales	456,531	57,929	13,912	26,471	-	554,843
Inter-segment sales	17,957	129,357	15,753	-	(163,067)	-
Total Revenue	<u>474,488</u>	<u>187,286</u>	<u>29,665</u>	<u>26,471</u>	<u>(163,067)</u>	<u>554,843</u>
<b><u>Result</u></b>						
Segment profit/(loss)	27,376	13,373	(64)	976		41,661
Finance cost						(28)
Share of loss of associate						(42)
Profit before tax						<u>41,591</u>
<b><u>Assets</u></b>						
Segment assets	1,069,187	229,949	104,572	51,924		1,455,632
Goodwill						<u>20,113</u>
Investment in associate						<u>6,322</u>
<b><u>Liabilities</u></b>						
Segment liabilities	189,838	29,060	15,294	15,543		249,735
Unallocated liabilities						<u>47,134</u>
<b><u>Other information</u></b>						
Capital expenditure	19,994	6,138	147			26,279
Depreciation	12,144	3,025	1,309	93		<u>16,571</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.



## TOP GLOVE CORPORATION BHD.

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2011 (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.

### ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS

#### 13. Review of performance

For the first quarter ended 30 November 2011 (1QFY2012), the Group's sales revenue increased 12.9% to RM554.8 million compared with RM491.5 million registered in the corresponding quarter ended 30 November 2010 (1QFY2011). The Group's profit before taxation ("PBT") in 1QFY2012 however fell 6.3% to RM41.6 million from RM44.4 million in 1QFY2011.

The decline in PBT was primarily attributed to the continuously volatile raw material prices and oversupply situation in the industry. The average latex price rose by 16.0% (from RM7.19/kg in 1QFY2011 to RM8.34/kg in 1QFY2012) whilst the average nitrile price increased by 46.4% (from USD1.40/kg in 1QFY2011 to USD2.05/kg in 1QFY2012). The PBT was also impacted by recognition of net loss in foreign exchange amounting to RM13.3 million compared with a net gain of RM4.7 million in the corresponding quarter last financial year.

Despite the lower profit and higher working capital requirement from the escalating raw material prices, the Group's net cash position strengthened further to RM317.5 million comprising cash and short term investments.

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

RM 'mil	Financial year ended 31 August											1Q2012 3 mths ended 30 Nov 2011 (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	554.8
EBITDA	23.9	27.1	39.5	60.6	89.2	130.3	175.7	197.8	287.5	364.7	207.3	58.2
EBITDA margin	17.2%	15.0%	14.9%	14.5%	13.9%	13.1%	14.3%	14.4%	18.8%	17.5%	10.1%	10.5%
PBT	17.2	20.2	29.3	45.2	65.7	91.8	118.6	134.6	222.0	305.0	145.5	41.6
PBT margin	12.4%	11.2%	11.1%	10.8%	10.2%	9.2%	9.7%	9.8%	14.5%	14.7%	7.1%	7.5%
Taxation	1.3	2.2	3.6	5.3	7.5	7.0	29.9	26.5	53.9	54.6	30.3	9.1
PAT	15.9	18.0	25.7	39.9	58.2	84.8	88.7	108.1	168.1	250.4	115.1	32.5
PAT margin	11.4%	10.0%	9.7%	9.5%	9.1%	8.5%	7.2%	7.8%	11.0%	12.0%	5.6%	5.8%

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2011 (CONTINUED)

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

Compared with the PBT of preceding quarter ended 31 August 2011 (4QFY2011) of RM35.1 million, the Group's current quarter PBT of RM41.6 million registered a 18.5% increase. The improvement is primarily attributed to a decline in latex prices which fell by 9.2% (from RM9.19/kg in 4QFY2011 to RM8.34/kg in 1QFY2012) and a stronger average US Dollar against the Ringgit which strengthened by 4.0% (from RM3.00 in 4QFY2011 to RM3.12 in 1QFY2012).

#### 15. Commentary on prospects and targets

Top Glove which is currently the world's largest rubber glove manufacturer has a good and established corporate culture and business direction of producing consistent high quality gloves efficiently at low cost. It has forged ahead strongly to improve its glove quality, marketing strategies, productivity and cost efficiency. The Group currently has 22 factories, 417 production lines with a production capacity of 37.35 billion pieces of gloves per annum. It has a 10,900-strong work force to serve its growing customer base of approximately 1,000 in more than 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 22	Klang, Malaysia	14	1.3 billion pcs	February 2012
Factory 23				
Phase 1	Ipoh, Malaysia	16	1.4 billion pcs	February 2012
Phase 2	Ipoh, Malaysia	16	1.5 billion pcs	August 2012
Factory 24	Klang, Malaysia	16	1.5 billion pcs	August 2012
	<b>Total</b>	<b>62</b>	<b>5.7 billion pcs</b>	

#### Outlook

The global demand for gloves is expected to remain strong and resilient as gloves are a necessity especially in the healthcare industry.

With the uncertainty in the European debt crisis and the expectation of a slowdown in the global economy going into 2012, this will ease further pressure on commodity prices including key raw materials of latex and nitrile. Both of these raw material prices have fallen from their earlier peaks in recent months and if this trend continues, it will have a positive impact on the Group's performance going forward.

In order to mitigate the impact of latex cost fluctuations in the future, the Group will continue to work on acquiring suitable land in Cambodia, Indonesia and Malaysia for rubber plantation development to meet its own latex needs. Simultaneously, Top Glove has been increasing the production of nitrile gloves to avoid over-reliance on natural rubber gloves.

On the industry outlook, the Group expects the business landscape to remain competitive and challenging, coping with overcapacity issues, commodity price and foreign exchange volatility. Nevertheless, the Group remains committed to further consolidate its position by continuing research and development as well as automation initiatives to enhance its glove quality and will continue to optimize its production utilization rate to capitalize on the expected strong demand.

#### 16. Variance of actual profits from forecast profits

Not applicable as no profit forecast was issued.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2011 (CONTINUED)****17. Taxation**

	Quarter Ended		Year To Date Ended	
	30 Nov 2011 RM'000	30 Nov 2010 RM'000	30 Nov 2011 RM'000	30 Nov 2010 RM'000
Income tax	6,395	6,861	6,395	6,861
Deferred taxation	2,741	1,211	2,741	1,211
	<u>9,136</u>	<u>8,072</u>	<u>9,136</u>	<u>8,072</u>

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

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

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

**19. Purchase and 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.

**20. Status of corporate proposals announced**

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

**21. Group borrowings**

The Group borrowings as at 30 November 2011 were as follows :-

	Unsecured RM'000
Short term borrowings	156
Long term borrowings	2,997
	<u>3,153</u>

**22. Financial derivative instruments**

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

The details of the outstanding foreign currency forward contracts agreement as at 30 November 2011 are as follows:-

	Notional Amount	Fair Value
	As At 30 Nov 2011 RM'000	As At 30 Nov 2011 RM'000
Foreign currency forward contracts :		
Less than 1 year	<u>751,110</u>	<u>773,013</u>

## TOP GLOVE CORPORATION BHD.

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

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2011 (CONTINUED)

#### 22. Financial derivative instruments (cont'd)

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 forward foreign currency contracts as its hedging instruments.

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

#### 23. Realised and Unrealised Profits/Losses

	As at 30-Nov-11 RM'000	As at 31-Aug-11 RM'000
Total retained earnings of the company and its subsidiaries:		
- Realised	691,805	665,968
- Unrealised	(37,196)	(35,718)
	<u>654,609</u>	<u>630,250</u>
Add: Consolidation adjustments	2,759	(4,314)
	<u>657,368</u>	<u>625,936</u>

#### 24. 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.

#### 25. Dividends

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

The total dividend declared for financial year 2011 is 11 sen per share, the Company paid a 1<sup>st</sup> interim dividend of 5 sen per share (single tier) amounting to RM30.92 million on 21 July 2011. The Board of Directors have also proposed a final dividend of 6 sen per share (single tier) amounting to approximately RM37.11 million for the financial year ended 31 August 2011. The proposed final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2011 (CONTINUED)****26. Earnings per share**

	<b>Quarter Ended</b>		<b>Year To Date Ended</b>	
	<b>30 Nov 2011</b>	<b>30 Nov 2010</b>	<b>30 Nov 2011</b>	<b>30 Nov 2010</b>
Net profit attributable to owners of the Company shareholders (RM'000)	31,432	36,050	31,432	36,050
<b><u>Basic</u></b>				
Weighted average number of ordinary shares in issue ('000)	618,514	618,218	618,514	618,218
<b>Basic earnings per share (sen)</b>	<u>5.08</u>	<u>5.83</u>	<u>5.08</u>	<u>5.83</u>
<b><u>Diluted</u></b>				
Weighted average number of ordinary shares in issue ('000)	618,514	618,218	618,514	618,218
Effect of dilution : share options ('000)	386	827	386	827
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>618,900</u>	<u>619,045</u>	<u>618,900</u>	<u>619,045</u>
<b>Diluted earnings per share (sen)</b>	<u>5.08</u>	<u>5.82</u>	<u>5.08</u>	<u>5.82</u>