



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, Industrial Gloves,
 CPE & TPE

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 2014

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31-Aug-2014	31-Aug-2013	31-Aug-2014	31-Aug-2013
	RM'000	RM'000	RM'000	RM'000
Revenue	580,226	548,159	2,276,481	2,313,234
Operating Expenses	(544,212)	(487,399)	(2,089,701)	(2,096,504)
Other Operating Income	10,863	10,392	26,190	28,679
Profit From Operations	46,877	71,152	212,970	245,409
Finance Costs	(406)	(570)	(1,491)	(733)
Share of results of associate	1,212	(3,523)	3,266	(2,472)
Profit Before Tax	47,683	67,059	214,745	242,204
Taxation	(1,482)	(15,997)	(31,390)	(39,375)
Profit Net of Tax	46,201	51,062	183,355	202,829
Profit Attributable to :				
Owners of the Company	45,904	48,422	180,108	196,500
Minority Interest	297	2,640	3,247	6,329
	46,201	51,062	183,355	202,829
Earnings Per Share (sen)				
Basic	7.40	7.81	29.03	31.72
Diluted	7.39	7.80	28.98	31.68

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 FOURTH QUARTER ENDED 31 AUGUST 2014**

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31-Aug-2014	31-Aug-2013	31-Aug-2014	31-Aug-2013
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	46,201	51,062	183,355	202,829
Other comprehensive income:				
Net loss on available-for-sale financial assets:				
- loss on fair value changes	(37)	(7,348)	(584)	(2,543)
Foreign currency translation	(2,734)	743	(4,521)	5,859
Net movement on cash flow hedge	8,180	(31,393)	31,393	(31,393)
Other comprehensive income	5,409	(37,998)	26,288	(28,077)
Total comprehensive income	51,610	13,064	209,643	174,752
Total comprehensive income attributable to:				
Owners of the Company	51,385	10,784	206,475	168,262
Minority Interest	225	2,280	3,168	6,490
	51,610	13,064	209,643	174,752

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 AUGUST 2014**

	Unaudited as at 31-Aug-2014 RM'000	Audited as at 31-Aug-2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	993,848	928,802
Land use rights	42,068	45,647
Investment in associate	20,058	17,022
Deferred tax assets	9,325	19,165
Investment securities	145	145
Goodwill	22,804	25,183
	1,088,248	1,035,964
Current Assets		
Inventories	206,180	219,685
Trade and other receivables	283,909	295,141
Other current assets	7,509	3,853
Investment in bonds	96,402	93,669
Cash and bank balances	241,955	123,111
Derivative financial instruments	2,662	-
	838,617	735,459
Total Assets	1,926,865	1,771,423
EQUITY AND LIABILITIES		
Current Liabilities		
Trade and other payables	265,467	234,074
Other current liabilities	38,231	28,504
Short term borrowings	178,179	55,581
Tax payable	3,148	6,013
Derivative financial instruments	-	40,852
	485,025	365,024
Net Current Assets	353,592	370,435
Non-Current Liabilities		
Long term borrowings	2,540	2,809
Deferred tax liabilities	42,064	45,749
	44,604	48,558
Total Liabilities	529,629	413,582
Net Assets	1,397,236	1,357,841
Equity Attributable to Equity Holders of the Company		
Share capital	310,332	310,110
Share premium	183,590	180,174
Retained earnings	877,415	844,777
Other reserves	21,724	(3,209)
	1,393,061	1,331,852
Minority Interest	4,175	25,989
Total Equity	1,397,236	1,357,841
Total Equity and Liabilities	1,926,865	1,771,423
Net Tangible Assets per share (RM)	2.21	2.15
Net Assets per share (RM)	2.25	2.19

The Condensed Consolidated Balance Sheet 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)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2014**

	←————— Attributable to Equity Holders of the Company —————→										
	Equity, total RM'000	←—————	Non distributable					—————→			
Equity attributable to owners of the parent, total RM'000		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	Retained earnings RM'000		
12 Months Ended 31 August 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	209,643	206,475	-	-	(4,442)	31,393	-	-	(584)	180,108	3,168
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	2,848	2,848	222	3,416	-	-	-	(790)	-	-	-
Accretion of a subsidiary	(73,184)	(48,781)	-	-	-	-	-	-	-	(48,781)	(24,403)
Transfer to retained earnings	-	-	-	-	-	-	(644)	-	-	644	-
Dividend on ordinary shares	(99,333)	(99,333)	-	-	-	-	-	-	-	(99,333)	-
Dividend paid to non-controlling interest	(579)	-	-	-	-	-	-	-	-	-	(579)
Closing balance at 31 August 2014	1,397,236	1,393,061	310,332	183,590	6,616	-	3,790	10,264	1,054	877,415	4,175
12 Months Ended 31 August 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	174,752	168,262	-	-	5,698	(31,393)	-	-	(2,543)	196,500	6,490
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	5,507	5,507	670	4,837	-	-	-	-	-	-	-
Share options granted under ESOS	1,867	1,867	-	-	-	-	-	1,867	-	-	-
Transfer from share option reserve	-	-	-	1,144	-	-	-	(1,144)	-	-	-
Share issue expenses	(4)	(4)	-	(4)	-	-	-	-	-	-	-
Dividend on ordinary shares	(99,134)	(99,134)	-	-	-	-	-	-	-	(99,134)	-
Dividend paid to non-controlling interest	(6,228)	-	-	-	-	-	-	-	-	-	(6,228)
Acquisition of a subsidiary	1,228	-	-	-	-	-	-	-	-	-	1,228
Closing balance at 31 August 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

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.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Current Year To Date Ended 31-Aug-2014	Corresponding Year To Date Ended 31-Aug-2013
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	214,745	242,204
Depreciation	91,852	80,345
Other adjustment	(4,608)	(9,613)
Operating profit before changes in working capital	<u>301,989</u>	<u>312,936</u>
Changes in working capital		
Net change in current assets	9,801	(9,693)
Net change in current liabilities	30,575	(1,091)
Cash flows from operating activities	<u>342,364</u>	<u>302,152</u>
Interest paid	(1,491)	(733)
Tax paid	(38,565)	(44,530)
Net cash flows from operating activities	<u>302,308</u>	<u>256,889</u>
Cash flows from investing activities		
(Purchase) / proceeds from disposal of investment securities	(3,317)	57,891
Purchase of property, plant and equipment	(153,319)	(248,061)
Purchase of land use rights	-	(23,602)
Placement of deposits pledged with banks	(44,762)	(18,529)
Proceeds from disposal of a subsidiary	20,618	-
Accretion of a subsidiary	(73,184)	-
Acquisition of a subsidiary	-	(23,384)
Investment in an associate	-	(12,204)
Net cash flows used-in investing activities	<u>(253,964)</u>	<u>(267,889)</u>
Cash flows from financing activities		
Dividend paid on ordinary shares	(99,333)	(99,134)
Dividend paid to non-controlling interest	(579)	(6,228)
Proceeds from issuance of shares	2,848	5,503
Increase in borrowings	122,329	51,844
Net cash flows generated from / (used-in) financing activities	<u>25,265</u>	<u>(48,015)</u>
Net change in cash and cash equivalents	73,609	(59,015)
Effects of foreign exchange rate changes	473	(3,649)
Cash and cash equivalents at beginning of year	<u>104,582</u>	<u>167,246</u>
Cash and cash equivalents at end of year	<u>178,664</u>	<u>104,582</u>
Breakdown of cash and cash equivalents at end of period		
Bank and cash balances	241,955	123,111
Less: Deposits pledged with banks	(63,291)	(18,529)
Cash and cash equivalents	<u>178,664</u>	<u>104,582</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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 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 August 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 FOURTH QUARTER ENDED 31 AUGUST 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 August 2014, a total of 31,000 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 August 2014 are as follows:-

	No. of shares	RM
As at 31 May 2014	620,633,062	310,316,531
Ordinary shares issued pursuant to the ESOS	31,000	15,500
As at 31 August 2014	620,664,062	310,332,031

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

On 17 July 2014, the Company paid a 1st interim single tier dividend of 7 sen (net) per ordinary share amounting to RM43.44 million, which was declared on 17 June 2014 in conjunction with the 3rd quarter ended 31 May 2014 financial results announcement.

The Board of Directors of Top Glove has resolved on 14 October 2014 to adopt a Dividend Policy to declare and pay annual dividends of not less than 50% of its profit after tax and minority interest in respect of future financial years. The Board of Directors is pleased to propose a final single tier dividend of 9 sen per share, subject to shareholders' approval at the forthcoming Annual General Meeting, which would bring the total payout for the year to 16 sen per share.

Record of dividends paid:-

Financial Year	Net Dividend per share (sen)	Total Dividend (RM'000)
2014	7.00 (interim)	43,444
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		598,279

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 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.

12 months ended 31 August 2014

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>						
External sales	1,843,340	213,149	101,961	118,031	-	2,276,481
Inter-segment sales	40,761	326,207	3,222	-	(370,190)	-
Total Revenue	<u>1,884,101</u>	<u>539,356</u>	<u>105,183</u>	<u>118,031</u>	<u>(370,190)</u>	<u>2,276,481</u>
<u>Result</u>						
Segment profit	184,082	23,282	(9,842)	15,448	-	212,970
Finance cost						(1,491)
Share of profit of Associate						<u>3,266</u>
Profit before tax						<u>214,745</u>
<u>Assets</u>						
Segment assets	1,387,390	202,792	59,334	234,487		<u>1,884,003</u>
Goodwill						<u>22,804</u>
Investment in Associate						<u>20,058</u>
<u>Liabilities</u>						
Segment liabilities	440,131	31,340	9,043	49,115		<u>529,629</u>
<u>Other information</u>						
Capital expenditure	149,047	3,998	-	274		<u>153,319</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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 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 RM154.9 million.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2014 (CONTINUED)

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

14. Review of performance

The Group's performance for the fourth quarter ("4QFY2014") and the full year ("FY2014") ended 31 August 2014 compared with the corresponding periods last financial year are as tabled below:

	4QFY2014	4QFY2013	Variance	FY2014	FY2013	Variance
	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Revenue	580.2	548.2	5.8	2,276.5	2,313.2	(1.6)
PBT	47.7	67.1	(28.9)	214.7	242.2	(11.4)
PBT Margin	8.2%	12.2%		9.4%	10.5%	

The Group posted a revenue of RM580.2 million for 4QFY2014, representing an increase of 5.8% compared with the corresponding quarter in the previous financial year, driven mainly by growth in total sales volume. Profit before taxation ("PBT") in 4QFY2014 decreased by 28.9% to RM47.7 million from RM67.1 million a year ago.

Meanwhile for FY2014, both revenue and PBT eased 1.6% and 11.4% to RM2.28 billion and RM214.7 million respectively compared with FY2013. Although revenue had declined on the back of lower average selling price from decreasing raw material prices, the Group saw an increase of 3% in sales volume at the close of the financial year. Excluding PVC gloves which had declined due to the Group had consolidated the two PVC factories into one, the sales volume had increased by 4.2% for nitrile and latex gloves.

The decline in PBT for 4QFY2014 and for FY2014 was mainly attributed to the intensification of competition in the nitrile glove segment which resulted in margin pressure. Further aggravating the situation was the increase in natural gas prices, together with the knock-on inflationary effects following the increases in electricity and natural gas tariffs. Unrealised forex losses owing to an unexpected strengthening of the Ringgit at the close of the financial year, also accounted for the softer performance.

Raw material prices continued to trend down compared with FY2013, as natural latex fell by 17.3% to an average of RM4.77/kg and nitrile latex price contracted by 8.3% to an average of RM3.51/kg in FY2014. However, the positive impact from this was minimal in light of the competitive environment which compelled any cost savings gained to be passed on to the customers.

Nevertheless, the Group achieved more market penetration in the nitrile glove segment, in which the Group's sales volume grew substantially by 24% compared with last year. Nitrile glove sales contribution to total Group sales volume grew from 20% in FY2013 to 24% in FY2014, following extra capacity from new factory, indicating favourable growth prospects in developed markets, particularly the US, UK and Germany. At the same time, the Group recorded increased sales in Asia where market share expanded to 16%, in line with the general uptrend in usage for natural rubber gloves within emerging markets. Indeed, with a comprehensive range of gloves and balanced product mix, the Group is well-positioned to fulfil the various requirements of different regions.

The Board of Directors of Top Glove has resolved on 14 October 2014 to adopt a Dividend Policy to declare and pay annual dividends of not less than 50% of its profit after tax and minority interest in respect of future financial years. The Board of Directors is pleased to propose a final single tier dividend of 9 sen per share for FY2014, subject to shareholders' approval at the forthcoming Annual General Meeting, which would bring the total payout for the year to 16 sen per share. The Group is able to maintain a dividend payout equivalent to the preceding year as its cash flow is healthy. After factoring in the total Group capital expenditure and the privatization of Medi-Flex Limited of RM226.5 million, and interim dividend payment, Top Glove still maintains a positive net cash position of RM157.6 million as well as a strong balance sheet.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 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													
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (unaudited)
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	2,276.5
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	308.1
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%	13.5%
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	214.7
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%	9.4%
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	31.3
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	183.4
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%

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2014 (CONTINUED)**

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

	4QFY2014 RM'mil	3QFY2014 RM'mil	Variance %
Revenue	580.2	574.0	1.1
PBT	47.7	55.1	(13.4)
PBT margin	8.2%	9.6%	

Revenue rose 1.1% from RM574.0 million in 3QFY2014 to RM580.2 million in 4QFY2014, mainly due to a 3% growth in total sales volume.

The Group posted a 13.4% decrease in PBT to RM47.7 million from RM55.1 million in the immediate preceding quarter, mainly attributed to the full impact of the increase in natural gas tariff which came into effect on 1 May 2014, and also the heightened competition in the nitrile glove segment that resulted in margin pressure.

16. Commentary on prospects and targets

The Group remains focussed on pursuing quality expansion and is proceeding with plans to increase the number of nitrile glove production lines. An additional 6 nitrile glove production lines at Factory 27 in Lukut, Port Dickson came on-stream in September 2014, while the installation of production lines at Factory 29 in Klang is to be completed and operational by January 2015, which will come fitted with faster, more efficient and technologically advanced glove production lines. This will boost the number of production lines from 464 to 484 and increase production capacity from 42.0 billion to 44.6 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 Aug 2014 RM'000	31 Aug 2013 RM'000	31 Aug 2014 RM'000	31 Aug 2013 RM'000
Income tax				
- Current year	6,718	25,241	35,700	46,379
- Overprovision in previous year	-	(166)	(2,663)	(4,884)
Deferred taxation	(5,236)	(9,078)	(1,647)	(2,120)
	<u>1,482</u>	<u>15,997</u>	<u>31,390</u>	<u>39,375</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.

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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

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

22. Group borrowings

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

	As at 31 Aug 2014 Unsecured RM'000	As at 31 Aug 2013 Unsecured RM'000
Short term borrowings	178,179	55,581
Long term borrowings	2,540	2,809
	<u>180,719</u>	<u>58,390</u>

Borrowings are mainly denominated in US Dollar amounting to USD57.2 million as at 31 August 2014 (31 August 2013: USD16.47 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 August 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	96,402		96,402
Derivative financial instruments		2,662	2,662

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

	As at 31 Aug 2014 RM'000	As at 31 Aug 2013 RM'000
Total retained earnings of the company and its subsidiaries:		
- Realised	923,079	881,486
- Unrealised	(33,919)	(26,337)
	<u>889,160</u>	<u>855,149</u>
Less: Consolidation adjustments	(11,745)	(10,372)
	<u>877,415</u>	<u>844,777</u>

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 Aug 2014 RM'000	Year To Date Ended 31 Aug 2014 RM'000
Interest income	4,112	10,356
Other income including investment income	6,751	15,834
Interest expenses	(406)	(1,491)
Depreciation and amortization	(23,154)	(91,852)
Foreign exchange loss	(1,740)	(15,974)
Fair value gain on foreign exchange contracts	2,394	4,171

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 rise 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 (net) per ordinary share amounting to approximately RM55.86 million for the financial year ended 31 August 2014. The proposed final single tier dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

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

The total dividend paid and proposed by the Company in respect of the financial year ended 31 August 2014 is 16 sen per ordinary share represented by a payment of approximately RM99.30 million.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2014 (CONTINUED)****28. Earnings per share**

	Quarter Ended		Year To Date Ended	
	31 Aug 2014	31 Aug 2013	31 Aug 2014	31 Aug 2013
Net profit attributable to owners of the Company shareholders (RM'000)	45,904	48,422	180,108	196,500
<u>Basic</u>				
Weighted average number of ordinary shares in issue ('000)	620,459	620,060	620,479	619,493
Basic earnings per share (sen)	7.40	7.81	29.03	31.72
<u>Diluted</u>				
Weighted average number of ordinary shares in issue ('000)	620,459	620,060	620,479	619,493
Effect of dilution : share options ('000)	1,095	794	1,095	794
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	621,554	620,854	621,574	620,287
Diluted earnings per share (sen)	7.39	7.80	28.98	31.68