



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 SECOND QUARTER ENDED 28 FEBRUARY 2015

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	28-Feb-2015	28-Feb-2014	28-Feb-2015	28-Feb-2014
	RM'000	RM'000	RM'000	RM'000
Revenue	572,247	548,271	1,139,875	1,122,257
Operating Expenses	(506,548)	(502,969)	(1,017,085)	(1,019,112)
Other Operating Income	7,933	5,426	13,622	8,585
Profit From Operations	73,632	50,728	136,412	111,730
Finance Costs	(1,489)	(427)	(2,365)	(627)
Share of results of associates	(2,558)	(192)	(5,410)	846
Profit Before Tax	69,585	50,109	128,637	111,949
Taxation	(13,292)	(7,889)	(23,331)	(17,783)
Profit Net of Tax	56,293	42,220	105,306	94,166
Profit Attributable to :				
Owners of the Company	56,069	41,554	104,751	91,831
Minority Interest	224	666	555	2,335
	56,293	42,220	105,306	94,166
Earnings Per Share (sen)				
Basic	9.09	6.70	16.97	14.80
Diluted	9.08	6.69	16.96	14.79

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2014

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2015**

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	28-Feb-2015	28-Feb-2014	28-Feb-2015	28-Feb-2014
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	56,293	42,220	105,306	94,166
Other comprehensive income:				
Net movement on available-for-sale financial assets	5,542	2,480	7,646	2,556
Foreign currency translation	9,596	2,440	14,781	2,217
Net movement on cash flow hedge	-	(1,520)	-	18,686
Other comprehensive income	15,138	3,400	22,427	23,459
Total comprehensive income	71,431	45,620	127,733	117,625
Total comprehensive income attributable to:				
Owners of the Company	70,957	44,740	126,817	115,163
Minority Interest	474	880	916	2,462
	71,431	45,620	127,733	117,625

The Condensed Consolidated Income Statement should be read in conjunction with the
Annual Financial Report for the financial year ended 31 August 2014

TOP GLOVE CORPORATION BHD.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2015**

	Unaudited as at 28-Feb-2015 RM'000	Audited as at 31-Aug-2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,056,856	995,242
Land use rights	40,385	42,068
Investment in associates	14,895	20,058
Deferred tax assets	12,776	12,825
Investment securities	145	145
Goodwill	22,805	22,805
	1,147,862	1,093,143
Current Assets		
Inventories	202,700	207,377
Trade and other receivables	312,597	288,863
Other current assets	8,954	2,770
Investment securities	454,467	154,322
Cash and bank balances	128,932	184,030
Derivative financial instruments	-	2,662
	1,107,650	840,024
Total Assets	2,255,512	1,933,167
EQUITY AND LIABILITIES		
Current Liabilities		
Trade and other payables	261,710	267,006
Other current liabilities	39,977	38,112
Short term borrowings	329,797	178,179
Tax payable	6,673	2,530
Derivative financial instruments	3,020	-
	641,177	485,827
Net Current Assets	466,473	354,197
Non-Current Liabilities		
Long term borrowings	110,778	2,540
Deferred tax liabilities	47,271	47,250
	158,049	49,790
Total Liabilities	799,226	535,617
Net Assets	1,456,286	1,397,550
Equity Attributable to Equity Holders of the Company		
Share capital	310,362	310,332
Share premium	180,898	180,673
Treasury shares	(14,722)	-
Retained earnings	930,105	880,864
Other reserves	44,566	21,520
	1,451,209	1,393,389
Minority Interest	5,077	4,161
Total Equity	1,456,286	1,397,550
Total Equity and Liabilities	2,255,512	1,933,167
Net Tangible Assets per share (RM)	2.31	2.21
Net Assets per share (RM)	2.35	2.25

The Condensed Consolidated Balance Sheet should be read in conjunction with the
Annual Financial Report for the financial year ended 31 August 2014

TOP GLOVE CORPORATION BHD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2015**

	← Attributable to Equity Holders of the Company →												
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	← Equity attributable to owners of the parent →				Non distributable				→ Distributable		
		Share Capital RM'000	Share Premium RM'000	Treasury Shares 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 earnings RM'000	Minority Interest RM'000	
6 Months Ended 28 February 2015													
Opening balance at 1 September 2014	1,397,550	1,393,389	310,332	180,673	-	6,485	-	3,781	10,200	1,054	-	880,864	4,161
Total comprehensive income	127,732	126,816	-	-	-	14,419	-	-	-	7,646	-	104,751	916
Transactions with owners													
Issuance of ordinary shares pursuant to ESOS	1,291	1,291	30	225	-	-	-	981	-	-	-	55	-
Purchase of treasury shares	(14,722)	(14,722)	-	-	(14,722)	-	-	-	-	-	-	-	-
Dividend on ordinary shares	(55,565)	(55,565)	-	-	-	-	-	-	-	-	-	(55,565)	-
Closing balance at 28 February 2015	<u>1,456,286</u>	<u>1,451,209</u>	<u>310,362</u>	<u>180,898</u>	<u>(14,722)</u>	<u>20,904</u>	<u>-</u>	<u>3,781</u>	<u>11,181</u>	<u>8,700</u>	<u>-</u>	<u>930,105</u>	<u>5,077</u>
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>-</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>

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 2014

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 28 FEBRUARY 2015**

	Current Year To Date Ended 28-Feb-2015 RM'000	Corresponding Year To Date Ended 28-Feb-2014 RM'000
Cash Flows From Operating Activities		
Profit before taxation	128,637	111,949
Depreciation	47,005	44,617
Other adjustment	2,833	26
Operating profit before changes in working capital	<u>178,475</u>	<u>156,592</u>
Changes in working capital		
Net change in current assets	(31,622)	13,839
Net change in current liabilities	(6,906)	(7,732)
Cash flows from operating activities	<u>139,947</u>	<u>162,699</u>
Interest paid	(2,365)	(627)
Tax paid	(19,139)	(20,845)
Net cash flows from operating activities	<u>118,443</u>	<u>141,227</u>
Cash flows from investing activities		
Purchase of investment securities	(269,846)	(40,616)
Purchase of property, plant and equipment	(94,555)	(88,375)
Additional investment in subsidiary	-	(70,363)
Net cash flows used in investing activities	<u>(364,401)</u>	<u>(199,354)</u>
Cash flows from financing activities		
Dividend paid on ordinary shares	(55,565)	(55,848)
Proceeds from issuance of shares	1,291	1,639
Purchase of treasury shares	(14,722)	-
Increase in borrowings	259,856	135,566
Net cash flows generated from financing activities	<u>190,860</u>	<u>81,357</u>
Net change in cash and cash equivalents	(55,098)	23,230
Cash and cash equivalents at beginning of year	<u>184,030</u>	<u>123,111</u>
Cash and cash equivalents at end of period	<u>128,932</u>	<u>146,341</u>
Breakdown of cash and cash equivalents at end of period		
Bank and cash balances	<u>128,932</u>	<u>146,341</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2014



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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2015

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 2014. 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 2014.

The audited financial statements of the Group for the year ended 31 August 2014 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 2014.

2. Auditors' report

The audited financial statements for the financial year ended 31 August 2014 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 2015.

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 2015 (CONTINUED)****6. Changes in debts and equity securities**

During the quarter ended 28 February 2015, a total of 28,800 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 2015 are as follows:-

	No. of shares	RM
As at 30 November 2014	620,694,862	310,347,431
Ordinary shares issued pursuant to the ESOS	28,800	14,400
As at 28 February 2015	620,723,662	310,361,831

During the current quarter, the Company repurchased 3,324,400 ordinary shares from the open market at an average price of RM4.43 per share. The total consideration paid including transaction costs was RM14.722 million, which was financed by internally generated funds. Of the total 620,723,662 issued and fully paid ordinary shares as at 28 February 2015, 3,324,400 ordinary shares are held as treasury shares by the Company

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2015 (CONTINUED)

7. Dividends paid

For the financial year ended 31 August 2014, the Company:-

- i) On 17 July 2014, 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.
- ii) On 29 January 2015, a final single tier dividend of 9 sen (net) per ordinary share amounting to RM55.57 million for the financial year ended 31 August 2014.

The total dividend paid by the Company in respect of the financial year ended 31 August 2014 was 16 sen per ordinary share represented by a payment of approximately RM99.01 million.

The Board of Directors of Top Glove has resolved on 8 January 2015 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.

Record of dividends paid:-

Financial Year	Net Dividend per share (sen)	Total Dividend (RM'000)
2014	16.00	99,009
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		653,844

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2015 (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 2015

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>						
External sales	929,315	91,435	44,365	74,760	-	1,139,875
Inter-segment sales	33,968	141,123	1,195	-	(176,286)	-
Total Revenue	<u>963,283</u>	<u>232,558</u>	<u>45,560</u>	<u>74,760</u>	<u>(176,286)</u>	<u>1,139,875</u>
<u>Result</u>						
Segment profit	110,602	12,424	2,978	10,408	-	136,412
Finance cost						(2,365)
Share of profit of Associate						(5,410)
Profit before tax						<u>128,637</u>
<u>Assets</u>						
Segment assets	1,476,504	191,746	64,027	485,536		<u>2,217,813</u>
Goodwill						<u>22,805</u>
Investment in Associates						<u>14,895</u>
<u>Liabilities</u>						
Segment liabilities	623,976	32,166	9,419	133,665		<u>799,226</u>
<u>Other information</u>						
Capital expenditure	90,878	2,722	554	401		<u>94,555</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 2015 (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 approved and contracted for capital expenditures amounting approximately to RM72.4 million.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

14. Review of performance

Top Glove's performance for the second quarter ("2QFY15") and six months ("1HFY15") ended 28 February 2015 compared with the corresponding periods last financial year are as tabled below:

	2QFY15	2QFY14	Variance	1HFY15	1HFY14	Variance
	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Revenue	572.2	548.3	4.4	1,139.9	1,122.3	1.6
PBT	69.6	50.1	38.9	128.6	111.9	14.9
PBT Margin	12.2%	9.1%	34.1	11.3%	10.0%	13.0

Top Glove posted a revenue of RM572.2 million for 2QFY15, a 4.4% increase from the corresponding period last year, while profit before tax stood at RM69.6 million, representing a growth of 38.9%.

On a half-year comparison, revenue and profit before tax also rose by 1.6% and 14.9% to RM1.14 billion and RM128.6 million respectively against 1HFY14.

Contributing to stronger revenue figures was growth in sales quantity of 5.3% from 2QFY14 and 4.5% against 1HFY14, attributable to higher sales volume stemming from more natural rubber and nitrile glove sales. The demand for natural rubber gloves from emerging markets, where Top Glove has a stronghold, with exports to 200 countries worldwide, in particular continued to grow steadily.

Also accounting for the improved performance were Top Glove's on-going internal improvements in terms of quality, efficiency and cost control measures. Better margins arising from newer and more efficient glove machineries and factories, also served to bolster profitability. In addition, following a post-consolidation turnaround, its China operations delivered a positive contribution to total group profit. A stronger USD also positively impacted revenue and performance, and coupled with lower raw material prices, helped offset last year's tariff increases, part of which Top Glove was unable to pass on to customers.

Raw material prices continued to trend downward compared with 2QFY14, with natural rubber latex prices dropping by 24.8% to an average of RM3.63/kg, and nitrile latex prices declining by 5.3% to an average of USD1.03/kg.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 28 FEBRUARY 2015 (CONTINUED)****14. Review of performance (continued)**

The financial results of Top Glove since financial year 2005 are as follow:

RM 'mil	Financial year ended 31 August											Average margin (from 2001-1HFY15)
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	1HFY15 (unaudited)	
Revenue	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	2,275.4	1,139.9	
EBITDA	89.2	130.3	175.7	197.8	287.5	364.7	207.3	310.0	323.3	312.1	178.0	
EBITDA margin	13.9%	13.1%	14.3%	14.4%	18.8%	17.5%	10.1%	13.4%	14.0%	13.7%	15.6%	14.69%
PBT	65.7	91.8	118.6	134.6	222.0	305.0	145.5	240.7	242.2	216.3	128.6	
PBT margin	10.2%	9.2%	9.7%	9.8%	14.5%	14.7%	7.1%	10.4%	10.5%	9.5%	11.3%	10.83%
Taxation	7.5	7.0	29.9	26.5	53.9	54.6	30.3	33.4	39.4	32.7	23.3	
PAT	58.2	84.8	88.7	108.1	168.1	250.4	115.1	207.3	202.8	183.6	105.3	
PAT margin	9.1%	8.5%	7.2%	7.8%	11.0%	12.0%	5.6%	9.0%	8.8%	8.1%	9.2%	9.13%

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 28 FEBRUARY 2015 (CONTINUED)****15. Quarterly profit before tax (PBT) comparison with preceding quarter**

	2QFY15 RM'mil	1QFY15 RM'mil	Variance %
Revenue	572.2	567.6	0.8
PBT	69.6	59.1	17.8
PBT margin	12.2%	10.4%	17.3

Revenue increased by 0.8% to RM572.2 million in 2QFY15, mainly due to a stronger US Dollar. Top Glove recorded a 17.8% increase in PBT to RM69.6 million, mainly attributed to ongoing efficiency and quality enhancement initiatives, lower raw material prices and a stronger US Dollar. Raw material prices continued to trend down compared with 1QFY15, as both natural rubber and nitrile latex prices fell by around 7.0%.

16. Commentary on prospects and targets

Top Glove's expansion plans are very much on track. Its newest facility, Factory 29, came on-stream in February 2015, boosting the total number of production lines to 484 and increasing production capacity to 44.6 billion gloves per annum, thus enabling Top Glove to capture more nitrile orders in developed and emerging markets. Factory 29 also comes fitted with faster and technologically-advanced machinery, which will enable it to operate more efficiently and profitably. In the pipeline is the expansion of Factory 27 in Lukut, Port Dickson (to be completed by December 2015) and Factory 6 in Thailand (to be completed by July 2016), as well as the construction of a new facility, Factory 30 (to be completed by September 2016) which will respectively bring the number of production lines and capacity to 538 and 52.2 billion gloves per annum by September 2016.

Given the size of its operations, Top Glove is also keenly on the lookout for M&A opportunities both in similar and related industries, with a view to further expanding the scope of its business.

Top Glove 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, Top Glove is confident of navigating its way through this challenging time, to continue delivering 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 2015 RM'000	28 Feb 2014 RM'000	28 Feb 2015 RM'000	28 Feb 2014 RM'000
Income tax				
- Current year	12,870	6,941	23,282	15,129
- Overprovision in previous year	-	-	-	498
Deferred taxation	422	948	49	2,156
	<u>13,292</u>	<u>7,889</u>	<u>23,331</u>	<u>17,783</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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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2015 (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

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 28 February 2015 were as follows:-

	As at 28 Feb 2015 RM'000	As at 28 Feb 2014 RM'000
Short term borrowings		
Unsecured	329,644	191,109
Secured	153	136
	<u>329,797</u>	<u>191,245</u>
Long term borrowings		
Unsecured	107,955	-
Secured	2,823	2,711
	<u>110,778</u>	<u>2,711</u>
Total borrowings	<u>440,575</u>	<u>193,956</u>

Borrowings are mainly denominated in US Dollar amounting to USD117.9 million as at 28 February 2015 (28 February 2014: USD59.15 million).

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 2015, the Group held the following financial assets and liabilities 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	421,395		421,395
Liabilities measured at fair value:			
Derivative financial instruments		3,020	3,020

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2015 (CONTINUED)****24. Realised and Unrealised Profits/Losses**

	As at 28 Feb 2015 RM'000	As at 28 Feb 2014 RM'000
Total retained earnings of the company and its subsidiaries:		
- Realised	969,310	920,897
- Unrealised	(42,417)	(44,999)
	<u>926,893</u>	<u>875,898</u>
Less : Consolidation adjustments	3,015	4,862
Total group retained earnings as per consolidated accounts	<u>929,908</u>	<u>880,760</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 28 Feb 2015 RM'000	Year To Date Ended 28 Feb 2015 RM'000
Interest income	5,747	9,876
Other income including investment income	2,126	3,686
Interest expenses	(1,489)	(2,365)
Depreciation and amortization	(23,630)	(47,005)
Foreign exchange loss	(6,288)	(3,971)
Fair value loss on foreign exchange contracts	(1,761)	(5,683)

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

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 2014 is 16 sen per ordinary share amounting to RM99.01 million. The Company paid a first single tier interim dividend of 7 sen (net) per ordinary share amounting to RM43.44 million on 17 July 2014 and a final single tier dividend of 9 sen (net) per ordinary share amounting to RM55.57 million on 29 January 2015.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2015****28. Earnings per share**

	Quarter Ended		Year To Date Ended	
	28 Feb 2015	28 Feb 2014	28 Feb 2015	28 Feb 2014
Net profit attributable to owners of the Company shareholders (RM'000)	<u>56,069</u>	<u>41,554</u>	<u>104,751</u>	<u>91,831</u>
Basic				
Weighted average number of ordinary shares in issue ('000)	<u>617,150</u>	<u>620,374</u>	<u>617,176</u>	<u>620,465</u>
Basic earnings per share (sen)	<u>9.09</u>	<u>6.70</u>	<u>16.97</u>	<u>14.80</u>
Diluted				
Weighted average number of ordinary shares in issue ('000)	<u>617,150</u>	<u>620,374</u>	<u>617,176</u>	<u>620,465</u>
Effect of dilution : share options ('000)	<u>373</u>	<u>582</u>	<u>373</u>	<u>582</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>617,523</u>	<u>620,956</u>	<u>617,549</u>	<u>621,047</u>
Diluted earnings per share (sen)	<u>9.08</u>	<u>6.69</u>	<u>16.96</u>	<u>14.79</u>