

Quarterly rpt on consolidated results for the financial period ended 31 Aug 2024

TOP GLOVE CORPORATION BHD

Financial Year End	31 Aug 2024
Quarter	4 Qtr
Quarterly report for the financial period ended	31 Aug 2024
The figures	have not been audited

Attachments

[TopGlove_4QFY2024_Financial_Results.pdf](#)
590.5 kB

[TopGlove_4QFY2024_Press_Release.PDF](#)
242.3 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Aug 2024

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Aug 2024	31 Aug 2023	31 Aug 2024	31 Aug 2023
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	835,309	476,064	2,515,979	2,257,221
2 Profit/(loss) before tax	4,130	-464,312	-33,238	-900,415
3 Profit/(loss) for the period	7,515	-452,603	-18,063	-885,549
4 Profit/(loss) attributable to ordinary equity holders of the parent	-3,571	-461,725	-61,809	-925,218
5 Basic earnings/(loss) per share (Subunit)	-0.04	-5.76	-0.77	-11.55
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)		0.5800		0.5900

Definition of Subunit:

*In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:*

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name TOP GLOVE CORPORATION BHD

Stock Name TOPGLOV

Date Announced 10 Oct 2024

Category Financial Results

Reference Number FRA-19062024-00005



TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

The World's Largest Manufacturer of Gloves

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024**

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31 Aug 2024	31 Aug 2023	31 Aug 2024	31 Aug 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	835,309	476,064	2,515,979	2,257,221
Operating expenses	(863,024)	(575,185)	(2,696,260)	(2,765,183)
Loss from operations	(27,715)	(99,121)	(180,281)	(507,962)
Impairment and write-off of assets	0	(391,976)	0	(391,976)
Other operating income	27,180	29,367	142,411	692
Share of results of an associate	1,087	(2,641)	1,721	(5,780)
Profit/(Loss) before interest and tax	552	(464,371)	(36,149)	(905,026)
Interest income	5,102	4,258	12,772	17,357
Finance costs	(1,524)	(4,199)	(9,861)	(12,746)
Profit/(Loss) before tax	4,130	(464,312)	(33,238)	(900,415)
Income tax credit	3,385	11,709	15,175	14,866
Profit/(Loss) net of tax	7,515	(452,603)	(18,063)	(885,549)
Profit/(Loss) attributable to:				
Owners of the parent	(3,571)	(461,725)	(61,809)	(925,218)
Holder of Perpetual Sukuk	11,621	11,748	46,610	46,610
Non controlling interests	(535)	(2,626)	(2,864)	(6,941)
	7,515	(452,603)	(18,063)	(885,549)
Loss per share attributable to owners of the parent, sen:				
Basic	(0.04)	(5.76)	(0.77)	(11.55)
Diluted	(0.04)	(5.76)	(0.77)	(11.55)

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2023.

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024**

	Current	Corresponding	Current	Corresponding
	Quarter Ended	Quarter Ended	Year To Date	Year To Date
	31 Aug 2024	31 Aug 2023	31 Aug 2024	31 Aug 2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) net of tax	7,515	(452,603)	(18,063)	(885,549)
Other comprehensive (loss)/income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net movement on debt securities at fair value through other comprehensive income/(loss)	1,513	(461)	3,115	(3,279)
Foreign currency translation differences of foreign operations	(26,456)	(5,062)	(46,312)	53,036
Revaluation of right-of-use assets upon transfer of properties to investment properties	0	10	0	10
Revaluation of property, plant and equipment upon transfer of properties to investment properties	0	9,751	0	9,751
Income tax effect relating to the components of other comprehensive income	0	(976)	0	(976)
Other comprehensive (loss)/income, net of tax	(24,943)	3,262	(43,197)	58,542
Total comprehensive loss	(17,428)	(449,341)	(61,260)	(827,007)
Total comprehensive loss attributable to:				
Owners of the parent	(28,276)	(458,418)	(104,238)	(868,495)
Holder of Perpetual Sukuk	11,621	11,748	46,610	46,610
Non controlling interests	(773)	(2,671)	(3,632)	(5,122)
	(17,428)	(449,341)	(61,260)	(827,007)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2023.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

	Unaudited as at 31 Aug 2024 RM'000	Audited as at 31 Aug 2023 RM'000
ASSETS		
Non current assets		
Property, plant and equipment	3,623,113	3,893,084
Right-of-use assets	173,587	187,096
Investment properties	426,921	419,699
Investment in an associate	5,301	3,579
Deferred tax assets	15,122	4,583
Biological assets	888	647
Investment securities: Unquoted investments	392	392
Intangible assets	861,183	864,465
	5,106,507	5,373,545
Current assets		
Inventories	355,773	301,496
Trade and other receivables	371,230	182,622
Other current assets	74,397	85,255
Assets held for sale	9,605	159,984
Tax recoverable	7,941	10,202
Derivative financial instruments	245	0
Investment securities: Debt securities	31,531	32,864
Investment securities: Money market funds	617,297	630,186
Cash and bank balances	351,431	285,416
	1,819,450	1,688,025
Total assets	6,925,957	7,061,570
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	406,613	265,261
Contract liabilities	121,215	102,995
Loans and borrowings	397,986	540,356
Lease liabilities	2,161	1,710
Income tax payable	6,760	13,038
Derivative financial instruments	0	507
	934,735	923,867
Net current assets	884,715	764,158
Non current liabilities		
Loans and borrowings	0	14,149
Lease liabilities	21,945	25,630
Deferred tax liabilities	139,960	160,119
Provisions	9,296	11,690
	171,201	211,588
Total liabilities	1,105,936	1,135,455
Net assets	5,820,021	5,926,115
Equity attributable to owners of the parent		
Share capital	1,846,990	1,843,271
Treasury shares	(1,412,270)	(1,412,270)
Retained earnings	4,083,797	4,134,229
Other reserves	95,700	149,304
	4,614,217	4,714,534
Perpetual Sukuk	1,175,694	1,175,694
Non controlling interests	30,110	35,887
Total equity	5,820,021	5,926,115
Total equity and liabilities	6,925,957	7,061,570
Net assets per share attributable to ordinary equity holders of the parent, RM	0.58	0.59

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2023.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024**

	← Attributable to owners of the parent →												Non controlling interests RM'000
	Total equity RM'000	Total equity attributable to owners of the parent RM'000	Share capital RM'000	Treasury shares RM'000	Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Other reserve RM'000	Fair value adjustment reserve RM'000	Distributable Retained earnings RM'000	Perpetual Sukuk RM'000	
2024													
Opening balance at 1 September 2023	5,926,115	4,714,534	1,843,271	(1,412,270)	62,081	27,569	51,862	8,785	13,343	(14,336)	4,134,229	1,175,694	35,887
(Loss)/Profit net of tax	(18,063)	(61,809)	0	0	0	0	0	0	0	0	(61,809)	46,610	(2,864)
Other comprehensive (loss)/income	(43,197)	(42,429)	0	0	(45,544)	0	0	0	0	3,115	0	0	(768)
Total comprehensive (loss)/income	(61,260)	(104,238)	0	0	(45,544)	0	0	0	0	3,115	(61,809)	46,610	(3,632)
Transactions with owners													
Issuance of ordinary shares pursuant to ESOS	2,722	2,722	2,722	0	0	0	0	0	0	0	0	0	0
Share options granted under ESOS	1,199	1,199	0	0	0	0	1,199	0	0	0	0	0	0
Transfer from share option reserve	0	0	997	0	0	0	(12,507)	0	0	0	11,510	0	0
Transfer from retained earnings	0	0	0	0	0	0	0	0	133	0	(133)	0	0
Distribution to holders of Perpetual Sukuk	(46,610)	0	0	0	0	0	0	0	0	0	0	(46,610)	0
Dividends on non controlling interests	(2,145)	0	0	0	0	0	0	0	0	0	0	0	(2,145)
Total transactions with owners	(44,834)	3,921	3,719	0	0	0	(11,308)	0	133	0	11,377	(46,610)	(2,145)
Closing balance at 31 August 2024	5,820,021	4,614,217	1,846,990	(1,412,270)	16,537	27,569	40,554	8,785	13,476	(11,221)	4,083,797	1,175,694	30,110
2023													
Opening balance at 1 September 2022	6,793,235	5,579,222	1,842,189	(1,412,270)	10,830	27,569	66,007	0	14,284	(11,057)	5,041,670	1,175,694	38,319
(Loss)/Profit net of tax	(885,549)	(925,218)	0	0	0	0	0	0	0	0	(925,218)	46,610	(6,941)
Other comprehensive income/(loss)	58,542	56,723	0	0	51,217	0	0	8,785	0	(3,279)	0	0	1,819
Total comprehensive (loss)/income	(827,007)	(868,495)	0	0	51,217	0	0	8,785	0	(3,279)	(925,218)	46,610	(5,122)
Transactions with owners													
Issuance of ordinary shares pursuant to ESOS	812	812	812	0	0	0	0	0	0	0	0	0	0
Share options granted under ESOS	2,639	2,639	0	0	0	0	2,639	0	0	0	0	0	0
Transfer from share option reserve	0	0	270	0	0	0	(16,784)	0	0	0	16,514	0	0
Changes in ownership interest in a subsidiary	3,046	356	0	0	34	0	0	0	0	0	322	0	2,690
Transfer from retained earnings	0	0	0	0	0	0	0	0	(941)	0	941	0	0
Distribution to holders of Perpetual Sukuk	(46,610)	0	0	0	0	0	0	0	0	0	0	(46,610)	0
Total transactions with owners	(40,113)	3,807	1,082	0	34	0	(14,145)	0	(941)	0	17,777	(46,610)	2,690
Closing balance at 31 August 2023	5,926,115	4,714,534	1,843,271	(1,412,270)	62,081	27,569	51,862	8,785	13,343	(14,336)	4,134,229	1,175,694	35,887

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 2023.

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024**

	Current Year To Date Ended 31 Aug 2024 RM'000	Corresponding Year To Date Ended 31 Aug 2023 RM'000
Operating activities		
Loss before tax	(33,238)	(900,415)
Depreciation and amortisation	287,523	343,012
Other adjustments	(165,265)	402,785
Operating cash flows before changes in working capital	89,020	(154,618)
Changes in working capital		
Net changes in current assets	(184,507)	392,878
Net changes in current liabilities	161,664	(301,766)
Cash flows generated from/(used in) operating activities	66,177	(63,506)
Interest paid	(9,861)	(12,746)
Income taxes (paid)/refunded	(18,556)	197,295
Net cash flows generated from operating activities	37,760	121,043
Investing activities		
Withdrawal/(Placement) of money market funds	30,620	(344,444)
Disposal of debt securities	2,981	189,377
Purchase of property, plant and equipment	(135,606)	(365,214)
Proceeds from disposal of property, plant and equipment	337,622	120,907
Proceeds from part disposal of equity interest in a subsidiary company	0	3,046
Interest received	12,772	17,357
Net cash flows generated from/(used in) investing activities	248,389	(378,971)
Financing activities		
Dividends paid on non controlling interests	(2,145)	0
Proceeds from issuance of ordinary shares pursuant to ESOS	2,722	812
Payment of principal portion of lease liabilities	(2,114)	(2,506)
Distribution paid to Perpetual Sukuk holders	(46,610)	(46,610)
(Repayment)/Drawdown of loans and borrowings	(136,477)	140,011
Net cash flows (used in)/generated from financing activities	(184,624)	91,707
Net increase/(decrease) in cash and cash equivalents	101,525	(166,221)
Effects of changes in foreign exchange rate	(35,510)	14,040
Cash and cash equivalents at 1 September 2023/2022	285,416	437,597
Cash and cash equivalents at 31 August 2024/2023	351,431	285,416

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2023.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024**

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“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 2023. 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 2023.

The audited financial statements of the Group for the year ended 31 August 2023 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 Group for the financial year ended 31 August 2023 except for the adoption of the following amendments to MFRSs:

Description

MFRS 17: Insurance Contracts
Amendments to MFRS 17: Insurance Contracts
Amendments to MFRS 17: Initial Application MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

The adoption of the above amendments to MFRSs do not have a material impact on the financial statements of the Group.

2. Auditors' report

The audited financial statements for the financial year ended 31 August 2023 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 Group'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 2024.

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024 (CONTINUED)

6. Changes in debts and equity securities

During the financial period ended 31 August 2024:

a) Details of the issued and paid up capital of the Company as at 31 August 2024 are as follows:

	No. of shares	RM'000
As at 31 August 2023	8,207,924,834	1,843,271
Ordinary shares issued pursuant to the ESOS	2,853,300	3,719
As at 31 August 2024	8,210,778,134	1,846,990

b) As at the end of the financial period to date under review, of the total 8,210,778,134 issued and fully paid ordinary shares, 199,764,300 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 in the financial period ended 31 August 2024.

7. Dividends paid

Record of dividends paid:

Financial Year	Net Dividend per share (sen)*	Total Dividend Paid (RM'000)
2022	1.20	96,102
2021	65.10	5,214,202
2020	11.83	961,731
2019	2.50	191,960
2018	2.83	217,282
2017	2.42	181,936
2016	2.42	181,647
2015	1.92	143,143
2014	1.33	99,009
2013	1.33	99,252
2012	1.33	99,038
2011	0.92	68,035
2010	1.33	98,877
2009	0.92	65,873
2008	0.46	32,389
2007	0.38	27,435
2006	0.31	21,173
2005	0.22	14,110
2004	0.20	12,295
2003	0.15	9,550
2002	0.05	2,808
2001	0.07	4,000
Total		7,841,847

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

- Bonus issue of 30% in April 2002, 40% in April 2003, 40% in February 2007, 100% in July 2010, 100% in January 2016, 100% in October 2018 and 200% in September 2020.
- Subdivision of shares from one ordinary share of RM1.00 to two ordinary shares of RM0.50 each which was completed in February 2005.

TOP GLOVE CORPORATION BHD.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024 (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 intersegment transactions have been entered into in the normal course of business and have been established on negotiated and mutually agreed terms.

For financial year ended 31 August 2024

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>						
External sales	2,227,701	147,609	10,088	130,581	0	2,515,979
Intersegment sales	110,497	279,536	0	623	(390,656)	0
Total revenue	<u>2,338,198</u>	<u>427,145</u>	<u>10,088</u>	<u>131,024</u>	<u>(390,656)</u>	<u>2,515,979</u>
<u>Result</u>						
Segment loss/(profit)	(40,039)	(16,683)	35,407	(3,783)	0	(25,098)
Finance cost	(7,391)	(570)	0	(1,900)	0	(9,861)
Share of results of an associate	1,721	0	0	0	0	<u>1,721</u>
Loss before tax						<u>(33,238)</u>
<u>Assets</u>						
Segment assets	4,986,488	649,008	77,754	323,160	889,547	6,925,957
Intangible assets	861,183	0	0	0	0	<u>861,183</u>
<u>Liabilities</u>						
Segment liabilities	853,794	66,023	780	38,619	146,720	<u>1,105,936</u>

b. Secondary reporting segment – Business segments

As the Group is principally involved in the gloves manufacturing industry, segment reporting by business segment is not prepared.

9. Valuation of property, plant 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 2024 (CONTINUED)

10. Material events subsequent to the end of the interim report

On 10 October 2024, the Company proposed to undertake a bonus issue of up to 405,964,951 warrants in the Company on the basis of 1 warrant for every 20 existing ordinary shares held on an entitlement date to be determined later.

Other than the above, there were no other 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

During the quarter under review, a 60% owned subsidiary in China, known as Great Glove (Su Zhou) Co Ltd, has been added to the Group.

Other than the above, there were no other significant changes in the composition of the Group during the quarter under review.

12. Contingent liabilities

The Group incurred a nominal amount of RM398 million relating to corporate guarantees provided by the Company to financial institutions for its subsidiaries' loans and borrowings.

The fair value of the corporate guarantees granted by the Company to financial institutions in respect of loans and borrowings obtained by its subsidiaries is not material as the difference in borrowing rates charged by the banks is not significant in the absence of such guarantees.

13. Capital commitments

As at the end of the reporting quarter, the Group had approved and contracted for capital expenditure amounting approximately to RM242 million.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024 (CONTINUED)

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

14. Review of performance

A comparison of Top Glove's performance for the fourth quarter ended 31 August 2024 ("4QFY2024") and the full financial year ended 31 August 2024 ("FY2024") with the corresponding periods last financial year is as follows:

	4QFY2024	4QFY2023	Variance	FY2024	FY2023	Variance
	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Revenue	835	476	75	2,516	2,257	11
Loss from operations	(28)	(99)	72	(180)	(508)	65
Impairment and write-off of assets	0	(392)	100	0	(392)	100
Profit/(Loss) before interest and tax	1	(464)	100	(36)	(905)	96
Profit/(Loss) before tax	4	(464)	101	(33)	(900)	96
Profit/(Loss) after tax	8	(453)	102	(18)	(886)	98
Loss attributable to owners of the parent	(4)	(462)	99	(62)	(925)	93

For 4QFY2024, the Group posted Sales Revenue of RM835 million, representing a 75% increase from 4QFY2023 and charted Profit After Tax of RM8 million, which is a substantial improvement of 102% year on year, supported by enhanced operational efficiency as well as land disposal gains. The 4QFY2024 Sales Volume also saw exceptional growth of 91% versus 4QFY2023. On a 12 months basis, the Group registered Sales Revenue of RM2.52 billion, an uptick of 11% from FY2023. Loss After Tax which factored in gains from land disposal, reduced considerably to RM18 million, a commendable upsurge of 98% against FY2023. Meanwhile, the Group's full year EBITDA turned positive at RM251 million, recording an improvement of 261% compared with FY2023. The full year Sales Volume rose by 19% from FY2023.

The Group's notably improved performance was attributed to increased Sales Volume as customers continued to replenish glove inventories, leading to higher utilisation rates and enhanced cost efficiency. The Group saw especially strong growth in the U.S. where Sales Volume soared 120% quarter on quarter, which was further driven by the high number of foreign manufacturers' gloves being placed on the U.S. FDA's import alert list. With the impending imposition of high tariffs by the U.S. on China-made medical gloves, the Group anticipates a greater increase in Sales Volume growth in the quarters to come.

The Group's performance for 4QFY2024 was affected by the sudden drastic weakening of the U.S. Dollar against the Ringgit. In response, the Group has revised its selling prices upward, the effects of which will be realised from November 2024 onwards due to the time lag.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024 (CONTINUED)****14. Review of performance (continued)**

The financial results of Top Glove since financial year 2009 are as follows:

RM'mil	Financial year ended 31 August															
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	FY2024 (unaudited)
Revenue	1,529	2,079	2,054	2,315	2,313	2,275	2,511	2,889	3,409	4,221	4,801	7,237	16,361	5,572	2,257	2,516
EBITDA	288	365	197	298	311	302	442	525	489	694	687	2,421	10,285	687	(156)	251
EBITDA margin	19%	18%	10%	13%	13%	13%	18%	18%	14%	16%	14%	33%	63%	12%	(8%)	10%
P/(L)BT	222	305	145	241	242	216	363	442	393	523	424	2,166	10,034	358	(900)	(33)
P/(L)BT margin	15%	15%	7%	10%	11%	10%	15%	15%	12%	12%	9%	30%	61%	6%	(40%)	(1%)
Taxation	(54)	(55)	(30)	(34)	(39)	(32)	(82)	(80)	(54)	(90)	(56)	(377)	(2,210)	(76)	15	15
P/(L)AT	168	250	115	207	203	184	281	362	339	433	368	1,789	7,824	282	(886)	(18)
P/(L)AT margin	11%	12%	6%	9%	9%	8%	11%	13%	10%	10%	8%	25%	48%	5%	(39%)	(1%)

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024 (CONTINUED)

15. Comparison of quarterly financial results with preceding quarter

	4QFY2024 RM'mil	3QFY2024 RM'mil	Variance %
Revenue	835	637	31
Loss from operations	(28)	(34)	18
EBITDA	71	130	(45)
Profit before interest and tax	1	58	(98)
Profit before tax	4	59	(93)
Profit after tax	8	62	(87)
Profit/(Loss) attributable to owners of the parent	(4)	51	(108)

For 4QFY2024, the Group recorded Sales Revenue of RM835 million, marking a 31% increase quarter on quarter. Its operational losses reduced to RM28 million in 4QFY2024, an improvement of 18% from RM34 million in 3QFY2024. The weakening of the U.S. Dollar against the Ringgit coupled with lower gains from land disposal in 4QFY2024 impacted the Group's performance, resulting in a softer Profit After Tax of RM8 million, down by 87% compared with the preceding quarter. The Group has revised its selling prices upwards to account for the effects of the U.S. Dollar's depreciation. However, the effects of the price revisions will only be realised from November 2024 onwards.

Raw material prices were mixed quarter on quarter, with the average natural latex concentrate prices trending downward by 1% to RM6.61/kg, while the average nitrile latex prices rose 8% to USD0.96/kg.

16. Commentary on prospects and targets

As recovery for the glove industry continues to gain traction, the Group anticipates continual improvement in sales orders in line with more positive demand supply dynamics. Moreover, glove sales to the U.S., which have already been increasing exponentially, are expected to receive an additional boost with the United States Trade Representative (USTR)'s recent announcement of impending tariff increases for Chinese medical gloves from the current 7.5% to 50% effective January 2025, and to 100% by January 2026.

To ensure the Group is well positioned to meet the rapidly returning glove demand, installation of advanced production lines, which had been temporarily halted due to oversupply, will resume at Top Glove's newer factories. However, the Group maintains a cautiously optimistic approach for capacity expansion plans in light of the volatile business environment which can be affected by geopolitical factors. The Group's long term outlook for the glove industry remains optimistic, as gloves are an essential, single use item in the healthcare industry, for which there is no viable replacement to date.

In July 2024, Top Glove successfully delivered its first shipment of natural rubber gloves to Europe fully traceable to their plantation origins, demonstrating the Group's commitment to full compliance with the EU Deforestation Regulation (EUDR), achieved ahead of the 30 December 2024 deadline.

In July 2024, the Group received an 'A' in the MSCI ESG Ratings, which is an improvement over its 'BBB' rating in 2023 and marks its highest achievement since it first participated in the ratings in 2019. The MSCI ESG Ratings measures a company's management of financially relevant ESG risks and opportunities, with assessments carried out based on publicly available information.

In September 2024, the Group released the results of a Life Cycle Assessment (LCA) which evaluates the environmental impact of a product throughout its entire life cycle, from raw material extraction to disposal. The LCA which was carried out on Top Glove's conventional nitrile powder free gloves and biodegradable nitrile powder free gloves, revealed that carbon emissions for its biodegradable nitrile powder free gloves were 8.3% lower than that of its conventional nitrile gloves, reflecting Top Glove's continual efforts to reduce its environmental footprint and advance sustainability in its product offerings.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024 (CONTINUED)****17. Variance of actual profits from forecast profits**

Not applicable as no profit forecast was issued.

18. Income tax credit

	Quarter Ended		Year To Date Ended	
	31 Aug 2024 RM'000	31 Aug 2023 RM'000	31 Aug 2024 RM'000	31 Aug 2023 RM'000
Income tax				
Current quarter/year	135	(7,213)	4,575	16,775
Under provision in respect of prior year	401	10,703	835	7,066
Deferred tax	(7,883)	(15,199)	(32,040)	(38,729)
Real property gain tax	3,962	0	11,455	22
	<u>(3,385)</u>	<u>(11,709)</u>	<u>(15,175)</u>	<u>(14,866)</u>

During the quarter and year to date ended under review, the tax credit position is due to reduction of deferred tax liabilities arising from unutilised capital allowance.

19. Profit/(loss) on sales 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 investment securities

	Quarter Ended	Year To Date Ended
	31 Aug 2024 RM'000	31 Aug 2024 RM'000
Investment in money market funds	66,252	137,461
Withdrawal of money market funds	13,750	168,081
Disposal in debt securities	0	2,981

Other than the above, there were no other 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.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024 (CONTINUED)****22. Derivative financial instruments**

	As at 31 August 2024	
	Contract/Notional Amount RM'000	Fair Value RM'000
Forward currency contracts		
• Derivative financial assets	30,392	245

As at 31 August 2024, the Group held forward contracts designated as hedges of expected future sales to customers for which the Group has firm commitments. Forward currency contracts used to hedge the Group's sales are denominated in USD for which firm commitments existed at the reporting date, extending to October 2024.

During the year to date ended 31 August 2024, the Group recognised a gain of RM752,000 arising from changes in the fair value of forward currency contracts.

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 2024, the Group held the following financial assets that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets/(liabilities) measured at fair value:				
Financial assets at fair value through profit or loss				
• Unquoted investments	0	0	392	392
• Money market funds (quoted in Malaysia)	617,297	0	0	617,297
• Derivative financial instruments	0	245	0	245
Financial assets at fair value through other comprehensive income				
• Debt securities (quoted outside Malaysia)	31,531	0	0	31,531

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024 (CONTINUED)****24. Group loans and borrowings**

The Group loans and borrowings as at 31 August 2024 were as follows:

	As at 31 Aug 2024 RM'000	As at 31 Aug 2023 RM'000
Current		
Unsecured		
Bank borrowings	397,986	512,031
Term loan	0	28,325
Total current borrowings	<u>397,986</u>	<u>540,356</u>
Non-current		
Unsecured		
Term loan	0	14,149
Total non-current borrowings	<u>0</u>	<u>14,149</u>

Summary of all loans and borrowings:

	Foreign Currency Denominated '000	As at 31 Aug 2024 RM'000		Foreign Currency Denominated '000	As at 31 Aug 2023 RM'000
EUR	1,500	7,192	EUR	44,085	222,585
JPY	13,113,901	390,794	JPY	10,460,770	331,920
Total loans and borrowings		<u>397,986</u>			<u>554,505</u>
Exchange rate RM to EUR1		4.7788			5.0410
Exchange rate RM to JPY1		0.0298			0.0317

25. 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.

26. Dividends

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

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2024 (CONTINUED)****27. Notes to the Statement of Comprehensive Income**

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

	Quarter Ended 31 Aug 2024 RM'000	Year to date Ended 31 Aug 2024 RM'000
Interest income	5,102	12,772
Interest expense	(1,524)	(9,861)
Reversal for inventories written down	16,571	50,419
Depreciation and amortisation	(70,727)	(287,523)
Other operating income/(expenses):		
Gain on disposal of property, plant and equipment	39,351	96,737
Net fair value gain on investment properties	3,999	3,999
Unrealised foreign exchange (loss)/gain	(21,682)	3,157
Realised foreign exchange loss	(6,895)	(11,110)
Rental income	4,557	17,041
Fair value gain on investment securities	3,586	11,786
Gain on disposal of money market fund	1,760	5,952
Net fair value gain on derivatives	245	752
Insurance claims	100	7,626
Property, plant and equipment written off	(4,765)	(10,212)
Other income	6,924	16,683
	<u>27,180</u>	<u>142,411</u>

28. Loss per share

	Quarter Ended		Year To Date Ended	
	31 Aug 2024	31 Aug 2023	31 Aug 2024	31 Aug 2023
Loss net of tax attributable to owners of the parent (RM'000)	<u>(3,571)</u>	<u>(461,725)</u>	<u>(61,809)</u>	<u>(925,218)</u>
Basic				
Weighted average number of ordinary shares in issue ('000)	<u>8,010,325</u>	<u>8,009,184</u>	<u>8,008,766</u>	<u>8,008,664</u>
Basic loss per share (sen)	<u>(0.04)</u>	<u>(5.76)</u>	<u>(0.77)</u>	<u>(11.55)</u>
Diluted				
Weighted average number of ordinary shares in issue ('000)	8,010,325	8,009,184	8,008,766	8,008,644
Effect of dilution from:				
Share options ('000)	<u>27,960</u>	<u>0</u>	<u>25</u>	<u>0</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>8,038,285</u>	<u>8,009,184</u>	<u>8,008,791</u>	<u>8,008,644</u>
Diluted loss per share (sen)	<u>(0.04)</u>	<u>(5.76)</u>	<u>(0.77)</u>	<u>(11.55)</u>

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PRESS RELEASE

Top Glove Corporation Bhd (Company No. 199801018294 [474423-X])

For Immediate Release

TOP GLOVE DELIVERS HIGHEST SALES VOLUME GROWTH POST PANDEMIC

- *Sales Volume maintains upward momentum amidst sustained order inflow, soaring 91% in 4QFY2024 compared to 4QFY2023 and rising 19% in FY2024 versus FY2023*
- *Group confident of a return to profitability in FY2025*

Shah Alam, Thursday, 10 October 2024 Top Glove Corporation Bhd or “Top Glove” today announced its financial results for the Fourth Quarter (4QFY2024) and full financial year 2024 (FY2024) ended 31 August 2024, achieving its strongest Sales Volume (Glove Sales Quantity) growth since the peak of the pandemic in 2021, as it maintains an upward trend towards profitability.

For 4QFY2024, Top Glove delivered a robust performance despite persistent challenges in the business environment. The Group posted Sales Revenue of RM835 million, representing a 75% increase from 4QFY2023, and charted Profit After Tax of RM8 million, which is a substantial improvement of 102% year on year, supported by enhanced operational efficiency as well as land disposal gains. Sales Volume also saw exceptional growth of 91% versus 4QFY2023.

For FY2024, the Group registered Sales Revenue of RM2.52 billion, an uptick of 11% from FY2023. Loss After Tax which factored in gains from land disposal, reduced considerably to RM18 million, a commendable upsurge of 98% against FY2023. Meanwhile, the Group’s full year EBITDA turned positive at RM251 million, recording an improvement of 261% compared with FY2023. Sales Volume rose by 19% from FY2023.

The Group’s notably improved performance was attributed to increased Sales Volume as customers continued to replenish glove inventories, leading to higher utilisation rates and enhanced cost efficiency. The Group saw especially strong growth in the U.S. where Sales Volume soared 120% quarter on quarter, which was further driven by the high number of foreign manufacturers’ gloves being placed on the U.S. FDA’s import alert list. With the impending imposition of high tariffs by the U.S. on China made medical gloves, the Group anticipates a greater increase in Sales Volume growth in the quarters to come.

The Group's bottom line for 4QFY2024 was affected by the sudden drastic weakening of the U.S. Dollar against the Ringgit. In response, the Group has revised its selling prices upwards, the effects of which will be realised from November 2024 onwards due to the time lag.

Raw material prices were mixed quarter on quarter, with average natural latex concentrate prices trending downward by 1% to RM6.61/kg, while average nitrile latex prices rose 8% to USD0.96/kg.

Mr Lim Cheong Guan, Managing Director of Top Glove remarked, "We are pleased that the Group's financial performance has improved significantly over the course of FY2024, bringing us closer to breaking even. Our full year EBITDA is positive while Sales Volume growth continues to be healthy. These are strong indicators of market resurgence and we are well positioned to ride the recovery wave. Our consistent progress has been driven by ongoing improvement initiatives, and with the continued support of our employees, the Group is confident we are well on the path to profitability and sustainable growth."

Rewarding Shareholders with 1-For-20 Bonus Issue of Warrants

The Group has proposed a bonus issue of up to 405,964,951 warrants on the basis of 1 warrant for every 20 existing Top Glove shares, subject to shareholders' approval at the upcoming AGM in January 2025. The warrants are exercisable anytime within 5 years from the date of issuance, the exercise price of which will be announced at a later date. The proposed bonus issue of warrants offers Top Glove shareholders the opportunity to increase their equity participation in the Group, by exercising the warrants at a predetermined price during the tenure of the warrants, rewarding loyal shareholders for their continued support. The exercise will also strengthen the Group's capital base, enabling it to raise additional funds without incurring additional interest expense, as compared to bank borrowings.

Sustainability Milestones

In July 2024, Top Glove successfully delivered its first shipment of natural rubber gloves to Europe fully traceable to their plantation origins, demonstrating the Group's commitment to full compliance with the EU Deforestation Regulation (EUDR), achieved ahead of the initial 30 December 2024 deadline.

Signifying its ongoing commitment to sustainability and corporate responsibility, the Group received an 'A' in the MSCI ESG Ratings in July 2024, which is an improvement over its 'BBB' rating in 2023 and marks its highest achievement since its initial participation in 2019. The MSCI ESG Ratings measures a company's management of financially relevant ESG risks and opportunities, with assessments carried out based on publicly available information.

In September 2024, the Group also released the results of a Life Cycle Assessment (LCA) which evaluates the environmental impact of a product throughout its entire life cycle, from raw material

extraction to disposal. The LCA which was carried out on Top Glove's conventional nitrile powder free gloves and biodegradable nitrile powder free gloves, revealed that carbon emissions for its biodegradable nitrile powder free gloves were 8.3% lower than that of its conventional nitrile gloves, reflecting Top Glove's continual efforts to reduce its environmental footprint and advance sustainability in its product offerings. More information on the LCA results is available here: <https://www.topglove.com/single-press-release-en?id=633&title=top-glove-releases-industry-leading-life-cycle-assessment-results-for-nitrile-gloves>

Additionally, Top Glove was awarded the EcoVadis Sustainability Bronze Medal for the 2nd year running, with a 12% improvement in scoring from 2023, placing it amongst the top 19% of all companies and industries evaluated at the time of publication in September 2024. In terms of the Company's EcoVadis Carbon Scorecard, Top Glove's carbon management performance also improved, transitioning to an advanced level for 2024 from an intermediate level in 2023. This recognition reflects the Group's effectiveness to consistently meet sustainability criteria including environmental impact, labour and human rights, ethics and sustainable procurement outlined in the methodology adopted by EcoVadis, a globally trusted provider of business sustainability ratings headquartered in Paris with a network of over 130,000 rated companies.

Top Glove also garnered the *Overall Excellence Award* at the National Corporate Governance & Sustainability Awards (NACGSA) 2024 in September 2024, ranking #7 amongst the 20 winners of this prestigious accolade and standing out amongst the 854 listed companies in Malaysia which were assessed by the Minority Shareholders Watch Group (MSWG). This win highlights the Company's unwavering commitment to corporate governance and sustainability and its continuous efforts to uphold industry leading standards.

Positioned for Profitability

As recovery for the glove industry continues to gain traction, the Group anticipates continual improvement in sales orders in line with more positive demand supply dynamics. Moreover, glove sales to the U.S., which have already been increasing exponentially, are expected to receive an additional boost with the United States Trade Representative (USTR)'s recent announcement of impending tariff increases for Chinese medical gloves from the current 7.5% to 50% effective January 2025, and to 100% by January 2026.

To ensure the Group is well positioned to meet the rapidly returning glove demand, installation of advanced production lines, which had been temporarily halted due to oversupply, will resume at Top Glove's newer factories. However, the Group maintains a cautiously optimistic approach for capacity expansion plans in light of the volatile business environment which can be affected by geopolitical

factors. The Group’s long term outlook for the glove industry remains optimistic, as gloves are an essential, single use item in the healthcare industry, for which there is no viable replacement to date.

Mr Lim stated, "We are pleased to have concluded our financial year 2024 on a positive note. We are now on the final leg of our recovery journey and certain of turning profitable within the new Financial Year 2025, as glove orders continue their uptrend. The Group has every confidence in the long term prospects for the glove industry whose fundamentals are intact and robust, and looks forward to far better times ahead."

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About Top Glove Corporation Bhd

Top Glove Corporation Bhd is listed on the Bursa Malaysia Stock Exchange Main Board and Singapore Exchange Mainboard. It is also one of the component stocks of the FBM Top 100 Index, FBM Emas Index, FBM Hijrah Syariah Index, FBM Emas Syariah Index and the Dow Jones Sustainability Indices (DJSI) for Emerging Markets. A Forbes Global 2000 company, Top Glove is currently the world’s largest manufacturer of gloves with an established corporate culture and good business direction of producing consistently high quality, cost efficient gloves. Top Glove has over 2,000 customers worldwide and exports to more than 195 countries.

Summary of key information:

	As at 10 October 2024
Number of Factories	47 factories (41 in Malaysia, 5 in Thailand and 1 in Vietnam) comprising: <ul style="list-style-type: none"> • 36 glove factories • 2 latex concentrate plants • 3 chemical factories • 1 gamma sterilisation factory • 1 glove former factory • 2 packaging material factories • 1 dental dam factory • 1 face mask factory
Number of Marketing Offices	7 (Malaysia, USA, Germany, Brazil, China, Thailand and Vietnam)
Number of Glove Production Lines	784

Glove Production Capacity	95 billion pieces per annum
Number of Employees	11,600