

# Quarterly rpt on consolidated results for the financial period ended 31 Aug 2018

## TOP GLOVE CORPORATION BHD

Financial Year End 31 Aug 2018

Quarter 4 Qtr

Quarterly report for the financial period ended 31 Aug 2018

The figures have not been audited

### Attachments

[Top Glove 4QFY18 Press Release.pdf](#)  
114.8 kB

[TopGlove- 4Q18 Financial Results.pdf](#)  
410.7 kB

Default Currency

Other Currency

Currency: **Malaysian Ringgit (MYR)**

### SUMMARY OF KEY FINANCIAL INFORMATION 31 Aug 2018

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Aug 2018	31 Aug 2017	31 Aug 2018	31 Aug 2017
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	1,216,856	902,415	4,213,986	3,409,176
2	Profit/(loss) before tax	141,987	99,117	522,710	383,105
3	Profit/(loss) for the period	101,980	94,051	437,301	328,436
4	Profit/(loss) attributable to ordinary equity holders of the parent	101,592	94,489	433,618	328,571
5	Basic earnings/(loss) per share (Subunit)	7.95	7.54	34.33	26.22
6	Proposed/Declared dividend per share (Subunit)	10.00	8.50	17.00	14.50

		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
<b>7</b>	<b>Net assets per share attributable to ordinary equity holders of the parent (\$\$)</b>	1.8900	1.6000

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**

<b>Company Name</b>	TOP GLOVE CORPORATION BHD
<b>Stock Name</b>	TOPGLOV
<b>Date Announced</b>	11 Oct 2018
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-05102018-00001



# TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

The World's Largest Manufacturer of Gloves

Website : [www.topglove.com](http://www.topglove.com)

E-mail : [invest@topglove.com.my](mailto:invest@topglove.com.my)

## CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31-Aug-2018	31-Aug-2017	31-Aug-2018	31-Aug-2017
	RM'000	RM'000	RM'000	RM'000
Revenue	1,216,856	902,415	4,213,986	3,409,176
Operating expenses	(1,072,602)	(809,981)	(3,706,454)	(3,062,637)
Other operating income	16,696	8,942	48,773	43,860
<b>Profit from operations</b>	<b>160,950</b>	<b>101,376</b>	<b>556,305</b>	<b>390,399</b>
Finance costs	(18,305)	(2,139)	(35,292)	(6,314)
Share of results of associates	(658)	(120)	1,697	(980)
<b>Profit before tax</b>	<b>141,987</b>	<b>99,117</b>	<b>522,710</b>	<b>383,105</b>
Taxation	(40,007)	(5,066)	(85,409)	(54,669)
<b>Profit net of tax</b>	<b>101,980</b>	<b>94,051</b>	<b>437,301</b>	<b>328,436</b>
<b>Profit attributable to:</b>				
Owners of the parent	101,592	94,489	433,618	328,571
Non-controlling interests	388	(438)	3,683	(135)
	<b>101,980</b>	<b>94,051</b>	<b>437,301</b>	<b>328,436</b>
<b>Earnings per share attributable to owners of the parent (sen) :</b>				
Basic	7.95	7.54	34.33	26.22
Diluted	7.95	7.53	34.32	26.19

The Condensed Consolidated Income Statement should be read in conjunction with the  
Annual Financial Report for the financial year ended 31 August 2017

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018**

	<b>Current Quarter Ended</b>	<b>Corresponding Quarter Ended</b>	<b>Current Year To Date</b>	<b>Corresponding Year To Date</b>
	<b>31-Aug-2018</b>	<b>31-Aug-2017</b>	<b>31-Aug-2018</b>	<b>31-Aug-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit net of tax	101,980	94,051	437,301	328,436
<b>Other comprehensive (loss)/ income:</b>				
Net movement on available-for-sale financial assets	(1,804)	(1,164)	(2,465)	5,609
Foreign currency translation	4,665	10,095	(17,755)	28,789
Net movement on cash flow hedge	(44,351)	-	(41,504)	-
<b>Other comprehensive (loss)/ income</b>	<b>(41,490)</b>	<b>8,931</b>	<b>(61,724)</b>	<b>34,398</b>
<b>Total comprehensive income</b>	<b>60,490</b>	<b>102,982</b>	<b>375,577</b>	<b>362,834</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	59,975	103,236	372,059	362,204
Non-controlling interest	515	(254)	3,518	630
	<b>60,490</b>	<b>102,982</b>	<b>375,577</b>	<b>362,834</b>
<p>The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2017</p>				

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2018**

	Unaudited as at 31-Aug-2018 RM'000	Audited as at 31-Aug-2017 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	2,082,192	1,523,406
Land use rights	111,649	40,457
Investment properties	163,900	83,156
Investment in associates	1,697	-
Deferred tax assets	22,888	14,681
Investment	392	392
Goodwill	1,271,427	22,805
	3,654,145	1,684,897
<b>Current Assets</b>		
Inventories	513,740	315,775
Trade and other receivables	671,279	419,349
Other current assets	76,347	51,258
Tax recoverable	-	17,351
Derivative financial instruments	-	645
Investment securities	193,714	206,910
Cash and bank balances	164,174	240,068
	1,619,254	1,251,356
<b>Total Assets</b>	<b>5,273,399</b>	<b>2,936,253</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	485,295	418,802
Other current liabilities	60,996	62,292
Loans and borrowings	854,157	314,644
Tax payable	9,132	-
Derivative financial instruments	856	-
	1,410,436	795,738
<b>Net Current Assets</b>	<b>208,818</b>	<b>455,618</b>
<b>Non-Current Liabilities</b>		
Loans and borrowings	1,359,060	61,750
Deferred tax liabilities	88,779	66,284
	1,447,839	128,034
<b>Total Liabilities</b>	<b>2,858,275</b>	<b>923,772</b>
<b>Net Assets</b>	<b>2,415,124</b>	<b>2,012,481</b>
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	787,709	636,644
Treasury shares	(9,325)	(9,739)
Retained earnings	1,621,579	1,313,876
Other reserves	4,536	62,499
	2,404,499	2,003,280
Non-controlling interest	10,625	9,201
<b>Total Equity</b>	<b>2,415,124</b>	<b>2,012,481</b>
<b>Total Equity and Liabilities</b>	<b>5,273,399</b>	<b>2,936,253</b>
Net Assets per share (RM)	1.89	1.60

**TOP GLOVE CORPORATION BHD**

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 31 AUGUST 2018**

	Attributable to Equity Holders of the Company											
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Non distributable Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Cash flow hedge reserve RM'000	Fair value adjustment reserve RM'000	Distributable Retained earnings RM'000	Non-controlling interest RM'000
<b>12 Months Ended 31 August 2018</b>												
<b>Opening balance at 1 September 2017</b>	2,012,481	2,003,280	636,644	-	(9,739)	53,700	4,929	2,568	-	1,302	1,313,876	9,201
<b>Total comprehensive income</b>	375,577	372,059	-	-	-	(17,590)	-	-	(41,504)	(2,465)	433,618	3,518
<b>Transactions with owners</b>												
Issuance of ordinary shares pursuant to ESOS	11,971	11,971	11,971	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares	137,000	137,000	137,000	-	-	-	-	-	-	-	-	-
Issuance of shares to non-controlling interest	1,538	-	-	-	-	-	-	-	-	-	-	1,538
Share options granted under ESOS	1,932	1,932	-	-	-	-	-	1,932	-	-	-	-
Acquisition of subsidiary	(3,632)	-	-	-	-	-	-	-	-	-	-	(3,632)
Fair value of investment properties	78,845	78,845	-	-	-	-	-	-	-	-	78,845	-
Transfer from share option reserve	-	-	2,094	-	-	-	-	(2,094)	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	(477)	-	-	477	-
Transfer to legal reserve	-	-	-	-	-	-	4,235	-	-	-	(4,235)	-
Transfer to employee share grant scheme	975	975	-	-	414	-	-	-	-	-	561	-
Dividend on associate	(5,418)	(5,418)	-	-	-	-	-	-	-	-	(5,418)	-
Dividend on ordinary shares	(196,145)	(196,145)	-	-	-	-	-	-	-	-	(196,145)	-
<b>Total transactions with owners</b>	27,066	29,160	151,065	-	414	-	4,235	(639)	-	-	(125,915)	(2,094)
<b>Closing balance at 31 August 2018</b>	2,415,124	2,404,499	787,709	-	(9,325)	36,110	9,164	1,929	(41,504)	(1,163)	1,621,579	10,625
<b>12 Months Ended 31 August 2017</b>												
<b>Opening balance at 1 September 2016</b>	1,825,839	1,818,013	627,406	4,781	(9,739)	25,676	4,278	2,861	-	(4,307)	1,167,057	7,826
<b>Total comprehensive income</b>	362,834	362,204	-	-	-	28,024	-	-	-	5,609	328,571	630
<b>Transactions with owners</b>												
Issuance of ordinary shares pursuant to ESOS	4,179	4,179	3,128	1,051	-	-	-	-	-	-	-	-
Issuance of shares to non-controlling interest	780	-	-	-	-	-	-	-	-	-	-	780
Share options granted under ESOS	578	578	-	-	-	-	-	578	-	-	-	-
Changes in ownership interest in subsidiary	-	35	-	-	-	-	-	-	-	-	35	(35)
Transition to no-par value regime	-	-	6,110	(6,110)	-	-	-	-	-	-	-	-
Transfer from share option reserve	-	-	-	278	-	-	-	(278)	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	(593)	-	-	593	-
Transfer to legal reserve	-	-	-	-	-	-	651	-	-	-	(651)	-
Dividend on ordinary shares	(181,729)	(181,729)	-	-	-	-	-	-	-	-	(181,729)	-
<b>Total transactions with owners</b>	(176,192)	(176,937)	9,238	(4,781)	-	-	651	(293)	-	-	(181,752)	745
<b>Closing balance at 31 August 2017</b>	2,012,481	2,003,280	636,644	-	(9,739)	53,700	4,929	2,568	-	1,302	1,313,876	9,201

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 2017

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
AS AT 31 AUGUST 2018**

	<b>Current Year To Date Ended 31-Aug-2018 RM'000</b>	<b>Corresponding Year To Date Ended 31-Aug-2017 RM'000</b>
<b>Operating Activities</b>		
Profit before taxation	522,710	383,105
Depreciation and amortisation	146,045	111,805
Other adjustments	26,421	12,481
<b>Operating cash flows before changes in working capital</b>	<b>695,176</b>	<b>507,391</b>
<b>Changes in working capital</b>		
Net change in current assets	(238,719)	(162,304)
Net change in current liabilities	(40,254)	109,656
<b>Cash flows from operating activities</b>	<b>416,203</b>	<b>454,743</b>
Interest paid	(35,292)	(6,314)
Purchase of shares for ESGP	-	(2,366)
Proceeds from government grant	-	496
Tax paid	(36,818)	(65,473)
<b>Net cash flows generated from operating activities</b>	<b>344,093</b>	<b>381,086</b>
<b>Investing activities</b>		
Proceeds from disposal of investment securities	368,402	320,892
Purchase of investment securities	(358,465)	(52,122)
Purchase of property, plant and equipment	(458,441)	(482,894)
Proceeds from disposal of property, plant and equipment	15,200	17,404
Net cash outflow on acquisition of subsidiaries	(1,270,635)	-
Dividend received from associate	-	787
Net cash inflow on disposal of associate	-	2,034
Interest received	12,233	17,232
<b>Net cash flows used in investing activities</b>	<b>(1,691,706)</b>	<b>(176,667)</b>
<b>Financing activities</b>		
Dividend paid on ordinary shares	(196,145)	(181,729)
Dividend paid on associate	(5,418)	-
Issuance of shares to non-controlling interest	1,538	780
Proceeds from issuance of shares	11,971	4,179
Transfer of treasury shares to employee share grant	975	-
Drawdown/ (repayment) of loans and borrowings	1,471,651	(28,563)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>1,284,572</b>	<b>(205,333)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(63,041)</b>	<b>(914)</b>
Effects of foreign exchange rate changes	(12,853)	17,826
<b>Cash and cash equivalents at 1 September</b>	<b>240,068</b>	<b>223,156</b>
<b>Cash and cash equivalents at 31 August</b>	<b>164,174</b>	<b>240,068</b>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the  
Annual Financial Report for the financial year ended 31 August 2017

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018**

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian 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 2017. 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 2017.

During the financial year, the Group has reassessed the current accounting policies and elected to change its accounting policy on measurement of the Group's investment properties from the cost model to fair value model. The change in this accounting policy was applied retrospectively. Except for this change in accounting policy, the accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 August 2017.

**2. Auditors' report**

The audited financial statements for the financial year ended 31 August 2017 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 2018.

**5. Changes in estimates of amounts reported previously**

There were no material changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current financial year-to-date.



**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (CONTINUED)****6. Changes in debts and equity securities**

- a) As at the quarter ended 31 August 2018, a total of 595,300 new ordinary shares were issued pursuant to the exercise of the ESOS. Details of the issued and paid-up capital of the Company as at 31 August 2018 are as follows:

	No. of shares	RM'000
As at 31 May 2018	1,279,633,824	785,100
Ordinary shares issued pursuant to the ESOS	595,300	2,609
As at 31 August 2018	1,280,229,124	787,709

- b) During the year, a total of 93,700 treasury shares were transferred to eligible employees under employee share grant scheme for RM 975,000; the gain had been recorded in the retained earnings account of the Company.

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

**7. Dividends paid**

The Board of Directors of Top Glove has adopted a Dividend Policy to declare and pay annual dividends of 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 Paid (RM'000)
2018	7.00 (interim)	89,454
2017	14.50	181,936
2016	14.50	181,655
2015	11.50	143,143
2014	8.00	99,009
2013	8.00	99,252
2012	8.00	99,038
2011	5.50	68,035
2010	8.00	98,877
2009	5.50	65,873
2008	2.75	32,389
2007	2.31	27,435
2006	1.84	21,173
2005	1.33	14,110
2004	1.18	12,295
2003	0.93	9,550
2002	0.28	2,808
2001	0.40	4,000
<b>Total</b>		<b>1,250,032</b>

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 and 100% in January 2016.
- 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.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (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 transactions have been entered into in the normal course of business and have been established on negotiated and mutually agreed terms.

**12 months ended 31 August 2018**

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b><u>Revenue</u></b>						
External sales	3,514,395	390,050	176,748	132,793	-	4,213,986
Inter-segment sales	66,983	354,082	2,094	-	(423,159)	-
Total Revenue	3,581,378	744,132	178,842	132,793	(423,159)	4,213,986
<b><u>Result</u></b>						
Segment profit	454,579	66,403	27,881	7,442	-	556,305
Finance cost						(35,292)
Share of results of Associates						1,697
Profit before tax						522,710
<b><u>Assets</u></b>						
Segment assets	3,358,111	333,417	89,802	197,754	1,294,315	5,273,399
Goodwill						1,271,427
<b><u>Liabilities</u></b>						
Segment liabilities	2,616,808	102,364	20,417	29,051	89,635	2,858,275

**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, 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.

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

There were no significant subsequent events after the end of the interim period to the date of this announcement, which will materially affect the earnings or income of the Group.

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (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**

A nominal amount of RM1,874.2 million relating to corporate guarantees has been provided by the Company to banks for its subsidiaries' loans and borrowings.

The fair value of the corporate guarantees granted by the Company to banks 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 Company had approved and contracted for capital expenditures amounting approximately to RM186.9 million.

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (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 2018 ("4QFY18") and full year (FY2018) with the corresponding period last financial year is as follows:

	<b>4QFY18</b>	<b>4QFY17</b>	<b>Variance</b>	<b>FY2018</b>	<b>FY2017</b>	<b>Variance</b>
	<b>RM'mil</b>	<b>RM'mil</b>	<b>%</b>	<b>RM'mil</b>	<b>RM'mil</b>	<b>%</b>
Revenue	1,216.9	902.4	34.9%	4,214.0	3,409.2	23.6%
Operating profit	161.0	101.4	58.8%	556.3	390.4	42.5%
Profit before interest and tax	160.3	101.3	58.2%	558.0	389.4	43.3%
Profit before tax	142.0	99.1	43.3%	522.7	383.1	36.4%
Profit after tax	102.0	94.1	8.4%	437.3	328.4	33.2%
Profit attributable to ordinary equity holders of the parent	101.6	94.5	7.5%	433.6	328.6	32.0%

For FY2018, Top Glove achieved record-breaking Sales Revenue of RM4.21 billion, surpassing the RM4 billion threshold and representing a 23.6% growth from FY2017. Profit Before Tax was also at an all-time high of RM522.7 million, an exceptional increase of 36.4% compared with FY2017, while Sales Volume (quantity sold) reached its peak, surging 26% year-on-year.

Top Glove also delivered a commendable performance for 4QFY18. It achieved Sales Revenue of RM1.22 billion, the Group's highest ever Sales Revenue attained within a single quarter, a 34.9% increase year-on-year. Profit Before Tax came in at RM142 million, an improvement of 43.3% compared with 4QFY17. Meanwhile, Sales Volume (quantity sold) grew an exceptionally high 27% versus 4QFY17. A smaller growth in Profit After Tax was recorded as the income tax provision in 4QFY17 was lower, with FY2017 tax incentives being taken up only in 4QFY17. However, for FY2018, tax incentives were taken up over the 4 quarters.

The Group's favourable results were attributed to its continuous pursuit of internal improvements. In particular, the application of advanced technology enabled quality and efficiency to be improved considerably, whilst also contributing to a reduction in manpower requirements. Additionally, the strong demand growth also accounted for the higher Sales Revenue, with the resulting higher utilization rate also leading to better Profit Before Tax (PBT) as well as EBITDA and margins for FY2018.

Raw material prices for FY2018 were mixed. Natural rubber latex prices averaged at RM4.51/kg, down 21.7% against FY2017, while the average nitrile latex price was USD1.13/kg, up 2.7% compared with the previous financial year.

As disclosed in Note 27 on material litigation, Top Glove initiated legal proceedings against the vendor of Aspion Sdn Bhd, for alleged fraudulent misrepresentations with regard to its acquisition of Aspion Sdn Bhd, claiming a sum of not less than RM640.5 million.

The purchase price allocation arising from the acquisition of Aspion Sdn Bhd is still on-going. Based on the on-going exercise, the provisional goodwill arising from the acquisition of Aspion Sdn Bhd is RM1.16 billion.

For the purpose of impairment testing, Top Glove has assessed the recoverable amount of Aspion Sdn Bhd based on its value-in-use, which in turn is determined based on cash flow projections of Aspion Sdn Bhd, take into account the following:

- 1) projection of Aspion's existing business for the next five years factoring in:

## **TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

### **NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (CONTINUED)**

- a) allocation of additional resources from the Engineering team, Group Human Resources, Factory Heads and Managers, with some personnel based on-site, to work with the Aspion team for better and more transparent management;
  - b) further enhancement, modification and improvement of the glove production process with the latest technology and automation to ensure cost efficiency and quality improvement;
  - c) the ability to leverage the Top Glove name to achieve better synergies and cost savings, for example in terms of procurement of raw materials and more favourable rates in financing;
  - d) the opportunity to tap into Top Glove's worldwide marketing and distribution capability to increase its sales and utilisation.
- 2) the discounted rate based on the weighted average cost of capital (WACC)
  - 3) a terminal value of Aspion's business factoring in the ongoing operations of the business

Based on the impairment test undertaken by Top Glove, no impairment is required for the provisional goodwill arising from the acquisition of Aspion as at 31 August 2018.

The outcome of the impairment test is to be clearly differentiated from the amount that Top Glove is claiming from the vendor due to the different basis of arriving at the value. The acquisition price for Aspion was calculated based on Aspion's projected profit after tax for the financial year ending 31 October 2018. Subsequent investigations by an independent accounting firm indicated that the previous financial years' net profits had been inflated, which rendered the projections unreliable and unlikely to be achieved, leading to Top Glove initiating legal proceedings to claim the overstatement of consideration.

Top Glove is cognisant that challenges are to be anticipated in the course of running a business. However, as the Group leverages Aspion's technology and surgical glove expertise, while tapping on its own extensive customer base, manufacturing and procurement capabilities, it is confident that Aspion's contribution towards the enlarged Group will be enhanced moving forward.

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (CONTINUED)****14. Review of performance (continued)**

The financial results of Top Glove since financial year 2008 are as follows:

RM 'mil	Financial year ended 31 August										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	FY2018 (unaudited)
Revenue	1,377.9	1,529.1	2,079.4	2,053.9	2,314.5	2,313.2	2,275.4	2,510.5	2,888.5	3,409.2	4,214.0
EBITDA	197.8	287.5	364.7	196.7	297.7	310.6	301.8	441.7	524.7	484.0	691.8
EBITDA margin	14.4%	18.8%	17.5%	9.6%	12.9%	13.4%	13.3%	17.6%	18.2%	14.2%	16.4%
PBT	134.6	222.0	305.0	145.5	240.7	242.2	216.3	363.5	442.2	383.1	522.7
PBT margin	9.8%	14.5%	14.7%	7.1%	10.4%	10.5%	9.5%	14.5%	15.3%	11.2%	12.4%
Taxation	26.5	53.9	54.6	30.3	33.4	39.4	32.7	82.3	79.8	54.7	85.4
PAT	108.1	168.1	250.4	115.1	207.3	202.8	183.6	281.2	362.4	328.4	437.3
PAT margin	7.8%	11.0%	12.0%	5.6%	9.0%	8.8%	8.1%	11.2%	12.5%	9.6%	10.4%

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (CONTINUED)****15. Comparison of 4QFY18 Quarterly Profit Before Tax (PBT) with preceding quarter**

	<b>4QFY18</b>	<b>3QFY18</b>	<b>Variance</b>
	<b>RM'mil</b>	<b>RM'mil</b>	<b>%</b>
Revenue	1,216.9	1,100.6	10.6%
Operating profit	161.0	147.3	9.3%
Profit before interest and tax	160.3	146.9	9.1%
Profit before tax	142.0	134.2	5.8%
Profit after tax	102.0	119.4	(14.6%)
Profit attributable to ordinary equity holders of the parents	101.6	117.6	(13.6%)

The Group achieved Sales Revenue of RM1.22 billion, a 10.6% increase quarter-on-quarter. Profit Before Tax also registered higher at RM142 million, representing an improvement of 5.8% compared with 3QFY18. Meanwhile, sales volume grew 6% versus 3QFY18. The improved performance was attributed to improvements in higher gloves volume sold, production efficiency and quality, coupled with new capacity coming onstream and strong demand growth. However, Profit After Tax was softer, impacted by higher tax expense. The upward trend in nitrile latex prices compared with 3QFY18 also caused some pricing pressure. The average natural rubber latex price eased 2.7%, while the average nitrile latex price was on the uptrend, increasing by 13.9%.

**16. Commentary on prospects and targets**

To ensure it is well-positioned to meet the robust global demand for gloves and achieve its ambitious Fortune Global 500 dream, Top Glove will continue to pursue strategic expansion. In progress is the expansion of several existing facilities: F32 (Phases 1 & 2 to be completed early and end 2019 respectively), F33 (to be completed early 2019) and F5A (to be completed end 2019). Meanwhile, its newest factory F8A in Thailand, is scheduled to be operational early 2020. These will boost the Group's total number of production lines by an additional 98 lines and production capacity by 9.8 billion gloves per annum. By 2020, Top Glove is projected to have 746 production lines and a production capacity of 69.1 billion gloves per annum. Top Glove is also looking to expand its operations to Vietnam and has entered into an agreement to acquire a piece of land for a factory which is expected to commence operations within the next 2 years.

In support of its ambitious growth agenda, Top Glove will also continue to explore inorganic expansion via mergers and acquisitions, as well as new set-ups in related industries in order to grow faster and more efficiently.

The Group also proposed to undertake a bonus issue of 1,280,229,124 new ordinary shares in Top Glove Corporation Bhd on the basis of 1 bonus share for every existing Top Glove share held on the entitlement date, which was approved at EGM held on 10 October 2018. The said EGM also approved a proposal to issue guaranteed exchangeable bonds to raise funds for the repayment of bank borrowings, as well as amendments to the Company's Constitution to facilitate the issuance of bonus shares for the bonus issue.

Underscoring the Group's commitment to enhance shareholder value, the Board recommended a final dividend of 10 sen per share (before bonus issue), subject to shareholders' approval at the upcoming AGM in January 2019. This would bring the total FY2018 dividend payout to 17 sen per share, an increase of 2.5 sen or 17% over FY2017, representing a net profit payout ratio of 50%.

Notwithstanding its outstanding performance, Top Glove is mindful of potential challenges ahead which include cost increases and intensifying competition. However, it remains highly optimistic of prospects moving forward, given the steady global glove demand which is set to grow at about 10% yearly.

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (CONTINUED)****17. Variance of actual profits from forecast profits**

Not applicable as no profit forecast was issued.

**18. Taxation**

	<b>Quarter Ended</b>		<b>Year To Date Ended</b>	
	<b>31 Aug 2018</b>	<b>31 Aug 2017</b>	<b>31 Aug 2018</b>	<b>31 Aug 2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax				
- Current quarter/year	19,898	(14,264)	63,012	40,623
- Under provision in previous year	4,182	4,734	4,184	5,884
Real property gain tax	(111)	28	177	258
Deferred taxation	16,038	14,568	18,036	7,904
	<u>40,007</u>	<u>5,066</u>	<u>85,409</u>	<u>54,669</u>

The effective tax rate of the Group is lower than the statutory tax rate due to the tax incentives available to Malaysia and certain overseas subsidiaries.

**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 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**

The outstanding corporate proposals which has been approved by shareholders at EGM held on 10 October 2018 as follow:

- Proposed bonus issue of up to 1,280,229,124 new ordinary shares in Top Glove on the basis 1 bonus share for every 1 existing Top Glove share held;
- Proposed issuance of guaranteed exchangeable bonds with an aggregate principal amount of up to USD300 million; and
- Proposed amendment to the constitution of Top Glove.

Except the above-mentioned, there is no other corporate proposals announced or outstanding as at 10 October 2018.



**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (CONTINUED)****22. Derivative financial instruments**

	<b>As at 31 August 2018</b>	<b>Fair value Liabilities</b>
<b>Contract/Notional Amount RM'000</b>		<b>RM'000</b>
Forward currency contracts	366,348	(856)

As at 31 August 2018, the Group held forward contracts designated as hedges of expected future sales to customers and repayment of loan for which the Group has firm commitments. Forward currency contracts used to hedge the Company's sales are denominated in USD for which firm commitments existed at the reporting date, extending to January 2019.

During the year-to-date ended 31 August 2018, the Group recognised a loss of RM2.3 million arising from changes in fair value of the 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 2018, 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			
-Debt securities (quoted outside Malaysia)	106,019	-	106,019
Financial assets at fair value through profit or loss			
-Money market funds (quoted in Malaysia)	87,695	-	87,695
Liabilities measured at fair value:			
Derivative financial instruments	-	(856)	(856)

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (CONTINUED)**
**24. Group loans and borrowings**

The Group loans and borrowings as at 31 August 2018 were as follows:

As at 31 Aug 2018				As at 31 Aug 2017			
		Foreign Currency Denominated '000	RM'000			Foreign Currency Denominated '000	RM'000
<b>Current</b>							
Unsecured							
Promissory notes		-	7,978		-	-	-
Promissory notes	USD	1,158	4,758		-	-	-
Promissory notes	THB	409,102	51,358	THB	524,102	67,410	
Revolving credit	USD	117,211	481,443	USD	42,904	183,179	
Revolving credit		-	73,500		-	42,800	
			<u>619,037</u>			<u>293,389</u>	
Secured							
Bank overdraft		-	1,511		-	-	-
Bankers' acceptance		-	63,700		-	-	-
Hire purchase		-	719		-	-	-
Revolving credit	USD	29,155	118,846	USD	4,916	20,988	
Term loan	USD	11,573	47,535	USD	62	267	
Term loan		-	2,809		-	-	-
			<u>235,120</u>			<u>21,255</u>	
Total current borrowings			<u>854,157</u>			<u>314,644</u>	
<b>Non-current</b>							
Secured							
Hire purchase		-	1,044		-	-	-
Revolving credit	USD	8,685	36,582	USD	14,209	60,666	
Term loan	USD	10,548	43,326	USD	254	1,084	
Term loan		-	13,563		-	-	-
			<u>94,515</u>			<u>61,750</u>	
Unsecured							
Syndicated loan	USD	310,000	1,273,325		-	-	-
Less: Unamortised transaction costs			(8,780)			-	-
			<u>1,264,545</u>			<u>-</u>	
Total non-current borrowings			<u>1,359,060</u>			<u>61,750</u>	
<b>Summary</b>				<b>Summary</b>			
			<b>RM'000</b>				<b>RM'000</b>
	USD	488,330	1,997,035		USD	62,345	266,184
	RM	-	164,825		RM	-	42,800
	THB	409,102	51,357		THB	524,102	67,410
<b>Total loans and borrowings</b>			<u>2,213,217</u>				<u>376,394</u>

Exchange rate RM to USD1.00

4.1075

4.2695

Exchange rate RM to THB1.00

0.1255

0.1286

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (CONTINUED)****25. Realised and Unrealised Profits/Losses**

	As at 31 Aug 2018 RM'000	As at 31 Aug 2017 RM'000
Total retained earnings of the company and its subsidiaries:		
Realised	1,680,349	1,405,866
Unrealised	(86,072)	(72,448)
	<u>1,594,277</u>	<u>1,333,418</u>
Less : Consolidation adjustments	<u>27,302</u>	<u>(19,542)</u>
Total group retained earnings as per consolidated accounts	<u><u>1,621,579</u></u>	<u><u>1,313,876</u></u>

**26. 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 2018 RM'000	Year to date ended 31 Aug 2018 RM'000
Interest income	2,824	12,233
Other income including investment income	13,872	36,540
Interest expenses	(18,305)	(35,292)
Depreciation and amortization	(43,136)	(146,045)
Foreign exchange loss	(15,334)	(16,553)
Fair value gain/(loss) on foreign exchange contracts	1,047	(2,264)

**27. Material litigation**

Save as disclosed below, the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business of the Group. The Board is not aware of any proceedings, pending or threatened against the Group, or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

In reference to all the announcements made in relation to the below mentioned legal proceedings, the Board wishes to provide the latest update on the legal proceedings as follows:

*(Unless otherwise defined, the terms used herein shall have the same meaning as those defined in the Announcements in relation to the following legal proceedings.)*

- 1) Writ action in the Kuala Lumpur High Court, involving the Company and the wholly owned subsidiary, Top Care, against Low Chin Guan, Wong Chin Toh and ACPL (collectively, the "Defendants") ("Writ Action")

Having filed for a Mareva Injunction in KL High Court, it is fixed for hearing from 29 to 31 October 2018 and 2 November 2018. In the meantime, an interim injunction was allowed by the KL High Court on 27 August 2018.

- 2) Arbitration proceedings at the Singapore International Arbitration Centre involving our Company and Top Care against Adventa Capital ("Singapore Arbitration")

On 12 July 2018, the Company and Top Care Sdn Bhd ("Top Care") commenced arbitration proceedings against Adventa Capital at the Singapore International Arbitration Centre ("SIAC") to claim for damages in the sum of RM714,862,759.

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2018 (CONTINUED)**

In aid of the Singapore Arbitration, our Company and Top Care had applied for:

- i) The KL High Court also granted an Interim Injunction against Adventa Capital pending disposal of the KL Mareva Injunction Against Adventa Capital on 27 August 2018; and
- ii) a Mareva injunction application to restrain Adventa Capital on 2 July 2018 from disposing its assets worldwide (save for Malaysia) up to the value of RM714,862,759 ("Singapore Mareva Injunction"). The Singapore High Court granted the Singapore Mareva Injunction on the same day.

On 13 July 2018, Adventa Capital filed an application to set aside the Singapore Mareva Injunction ("Singapore Set Aside Application"). The Singapore Mareva Injunction and the Singapore Set Aside Application was part heard on 23 August 2018 by the Singapore High Court and will continue on 29.11.2018, 30.11.2018 and 8.3.2019. Further, the Company and Top Care had on 14.8.2018 filed an application to file further affidavits in respect of Adventa Capital's application to set aside the company's and Top Care's Mareva order in the Singapore OS ("the Leave Application"). The Leave Application will also be heard on 29.11.2018, 30.11.2018 and 8.3.2019.

Based on available information and on legal advice received, the Directors are of the view that there is a likely chance of succeeding in this claim.

**28. Dividends**

The Board of Directors is pleased to propose a final single tier dividend of 10 sen per ordinary share (before bonus issue) amounting to approximately RM127.8 million for the financial year ended 31 August 2018. The proposed final single tier dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

The Board of Directors had on 19 June 2018, declared a first single tier interim dividend of 7 sen per ordinary share and paid on 17 July 2018, amounting to RM89.5 million for the quarter ended 31 May 2018.

The total dividend paid and proposed by the Company in respect of the financial year ended 31 August 2018 is 17 sen per ordinary share represented by a payment of approximately RM217.3 million, and a dividend payout ratio of 50%.

**29. Earnings per share**

	<b>Quarter Ended</b>		<b>Year To Date Ended</b>	
	<b>31 Aug 2018</b>	<b>31 Aug 2017</b>	<b>31 Aug 2018</b>	<b>31 Aug 2017</b>
Net profit attributable to owners of the Company shareholders (RM'000)	101,592	94,489	433,618	328,571
<b>Basic</b>				
Weighted average number of ordinary shares in issue ('000)	1,277,961	1,253,897	1,263,258	1,253,286
<b>Basic earnings per share (sen)</b>	7.95	7.54	34.33	26.22
<b>Diluted</b>				
Weighted average number of ordinary shares in issue ('000)	1,277,961	1,253,897	1,263,258	1,253,286
Effect of dilution: share options ('000)	101	1,353	101	1,353
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,278,062	1,255,250	1,263,359	1,254,639
<b>Diluted earnings per share (sen)</b>	7.95	7.53	34.32	26.19

**Media Contact:**

Michelle Voon  
[wavoon@topglove.com.my](mailto:wavoon@topglove.com.my)  
+603-3362 3098 (ext.2228)  
+6016 668 8336

**Investor Contact:**

See Sook Fong  
[sfsee@topglove.com.my](mailto:sfsee@topglove.com.my)  
+603-3362 3098 (ext. 2233)  
+6012 329 1119

# PRESS RELEASE

***Top Glove Corporation Bhd*** (Company No. 474423-X)

***For Immediate Release***

## TOP GLOVE POSTS STRONGEST FULL FINANCIAL YEAR RESULTS EVER

- ***FY18 Sales Revenue increases 23.6% to RM4.21 billion***
- ***FY18 Profit Before Tax jumps 36.4% to RM522.7 million***

**Shah Alam, Thursday, 11 Oct 2018** – Top Glove Corporation Bhd (“Top Glove”) today announced its financial results for the Fourth Quarter (“4QFY18”) and full year ended 31 August 2018 (“FY2018”), once more delivering an unmatched performance for its full financial year 2018.

For FY2018, Top Glove clocked record-breaking Sales Revenue of RM4.21 billion, surpassing the RM4 billion threshold and representing a 23.6% growth from FY2017. Profit Before Tax was also at an all-time high of RM522.7 million, an exceptional increase of 36.4% compared with FY2017, while Sales Volume (quantity sold) reached its peak, surging 26% year-on-year.

Top Glove also delivered a commendable performance for 4QFY18. It achieved Sales Revenue of RM1.22 billion, the Group’s highest ever Sales Revenue attained within a single quarter, a 34.9% increase year-on-year and up 10.6% quarter-on-quarter. Profit Before Tax came in at RM142 million, an improvement of 43.3% compared with 4QFY17. Meanwhile, Sales Volume (quantity sold) grew an exceptionally high 27% versus 4QFY17 and by 6.1% versus 3QFY18. A smaller growth in Profit After Tax was recorded as the income tax provision in 4QFY17 was lower, with FY2017 tax incentives being taken up only in 4QFY17. However, for FY2018, tax incentives were taken up over the 4 quarters.

The Group’s favourable results were attributed to its continuous pursuit of internal improvements. In particular, the application of advanced technology enabled quality and efficiency to be improved considerably, whilst also contributing to a reduction in manpower requirements. Additionally, the strong demand growth also accounted for the higher Sales Revenue, with the resulting higher utilization rate also leading to better Profit Before Tax as well as EBITDA and margins for FY2018.

Raw material prices for FY2018 were mixed. Natural rubber latex prices averaged at RM4.51/kg, down 21.7% against FY2017, while the average nitrile latex price was USD1.13/kg, up 2.7% compared with the previous financial year.

Commenting on the Group's financial results, Tan Sri Dr Lim Wee Chai, Top Glove Corporation Bhd's Executive Chairman said, "We are very pleased to have achieved another historical high with our best full-year performance yet, especially given the challenging operating environment. Our record results underline the effectiveness of our ongoing technology-driven improvement initiatives, which focus on quality and cost efficiency. We also credit our robust results to our high-performing team who are committed to delivering excellence in all they do."

To ensure it is well-positioned to meet the robust global demand for gloves and achieve its ambitious Fortune Global 500 dream, Top Glove will continue to pursue strategic expansion. In progress is the expansion of several existing facilities: F32 (Phases 1 & 2 to be completed early and end 2019 respectively), F33 (to be completed early 2019) and F5A (to be completed end 2019). Meanwhile, its newest factory F8A in Thailand, is scheduled to be operational early 2020. These will boost the Group's total number of production lines by an additional 98 lines and production capacity by 9.8 billion gloves per annum. By 2020, Top Glove is projected to have 746 production lines and a production capacity of 69.1 billion gloves per annum. Top Glove is also looking to expand its operations to Vietnam and has entered into an agreement to acquire a piece of land for a factory which is expected to commence operations within the next 2 years.

In support of its ambitious growth agenda, Top Glove will also continue to explore inorganic expansion via mergers and acquisitions, as well as new set-ups in related industries in order to grow faster and more efficiently.

The Group also proposed to undertake a bonus issue of 1,280,229,124 new ordinary shares in Top Glove Corporation Bhd on the basis of 1 bonus share for every existing Top Glove share held on the entitlement date, which was approved at the EGM held on 10 October 2018. The said EGM also approved a proposal to issue guaranteed exchangeable bonds to raise funds for the repayment of bank borrowings, as well as amendments to the Company's Constitution to facilitate the issuance of bonus shares for the bonus issue.

Underscoring the Group's commitment to enhance shareholder value, the Board recommended a final dividend of 10 sen per share (before bonus issue), subject to shareholders' approval at the upcoming AGM in January 2019. This would bring the total FY2018 dividend payout to 17 sen per share, an increase of 2.5 sen or 17% over FY2017, representing a net profit payout ratio of 50%.

In recognition of its product excellence, Top Glove received the **Most Innovative Award 2018** and **Export Excellence Award 2018** by Malaysian Rubber Export Promotion Council (MREPC). Top Glove was also included in the MSCI Global Standard Index and maintained its inclusion on the FTSE4Good Bursa Malaysia Index, both tributes to its strong, consistent growth and good corporate governance.

Notwithstanding its outstanding performance, Top Glove is mindful of potential challenges ahead which include cost increases and intensifying competition. However, it remains highly optimistic of prospects moving forward, given the steady global glove demand which is set to grow at about 10% yearly.

With an unwavering focus on future growth, Tan Sri Dr Lim remarked: “We have concluded our financial year with another record-high for Top Glove. Far from making us complacent, this has served to raise the bar on our performance and inspire us to do even better to maintain our upward momentum.”

\_\_\_ ### \_\_\_

### **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 FTSE Bursa Malaysia (“FBM”) Mid 70 Index, FBM Top 100 Index, FBM Emas Index, FBM Emas Syariah Index, FTSE Bursa Malaysia Hijrah Shariah Index and FTSE4Good Bursa Malaysia Index. Top Glove is currently the world’s largest rubber glove manufacturer 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:***

	<b>As at 11 October 2018</b>
Number of Factories	40 factories (35 in Malaysia, 4 in Thailand, 1 in China) comprising: <ul style="list-style-type: none"> <li>• 32 glove factories</li> <li>• 2 latex concentrate plants</li> <li>• 2 chemical factories</li> <li>• 1 glove former factory</li> <li>• 1 packaging factory</li> <li>• 1 dental dam factory</li> <li>• 1 condom factory</li> </ul>
Number of Marketing Offices	2 (1 in Los Angeles, USA and 1 in Duisburg, Germany)
Number of Glove Production Lines	648
Glove Production Capacity	60.5 billion pieces per annum
Number of Employees	17,000