

## Quarterly rpt on consolidated results for the financial period ended 30 Nov 2018

### TOP GLOVE CORPORATION BHD

Financial Year End 31 Aug 2019  
 Quarter 1 Qtr  
 Quarterly report for the financial period ended 30 Nov 2018  
 The figures have not been audited

#### Attachments

[TopGlove\\_1QFY19\\_Financial Results.pdf](#)  
410.4 kB

[TopGlove\\_1QFY19\\_Press Release.pdf](#)  
118.0 kB

Default Currency

Other Currency

Currency: **Malaysian Ringgit (MYR)**

#### SUMMARY OF KEY FINANCIAL INFORMATION 30 Nov 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Nov 2018	30 Nov 2017	30 Nov 2018	30 Nov 2017
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	1,261,965	938,116	1,261,965	938,116
2 Profit/(loss) before tax	141,879	121,990	141,879	121,990
3 Profit/(loss) for the period	111,671	105,945	111,671	105,945
4 Profit/(loss) attributable to ordinary equity holders of the parent	110,055	105,445	110,055	105,445
5 Basic earnings/(loss) per share (Subunit)	4.31	4.17	4.31	4.17
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
<b>7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)</b>	0.9700	0.9400

**Remarks :**

*\*For comparative purpose, the Net assets per share for the quarter and year-to-date ended 30 November 2017 had been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 29 October 2018.*

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>	17 Dec 2018
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-10122018-00002



**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

The World's Largest Manufacturer of Gloves

Website : www.topglove.com

E-mail : invest@topglove.com.my

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2018**

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	30-Nov-2018	30-Nov-2017	30-Nov-2018	30-Nov-2017
	RM'000	RM'000	RM'000	RM'000
Revenue	1,261,965	938,116	1,261,965	938,116
Operating expenses	(1,113,340)	(829,984)	(1,113,340)	(829,984)
Other operating income	11,167	14,733	11,167	14,733
<b>Profit from operations</b>	<b>159,792</b>	<b>122,865</b>	<b>159,792</b>	<b>122,865</b>
Finance costs	(18,670)	(1,599)	(18,670)	(1,599)
Share of results of associate	757	724	757	724
<b>Profit before tax</b>	<b>141,879</b>	<b>121,990</b>	<b>141,879</b>	<b>121,990</b>
Taxation	(30,208)	(16,045)	(30,208)	(16,045)
<b>Profit net of tax</b>	<b>111,671</b>	<b>105,945</b>	<b>111,671</b>	<b>105,945</b>
<b>Profit attributable to:</b>				
Owners of the parent	110,055	105,445	110,055	105,445
Non-controlling interests	1,616	500	1,616	500
	<b>111,671</b>	<b>105,945</b>	<b>111,671</b>	<b>105,945</b>
<b>Earnings per share attributable to owners of the parent (sen) :</b>				
<b>Basic</b>	<b>4.31</b>	<b>4.17*</b>	<b>4.31</b>	<b>4.17*</b>
<b>Diluted</b>	<b>4.31</b>	<b>4.16*</b>	<b>4.31</b>	<b>4.16*</b>

\* For comparative purpose, the Earnings per share for the quarter and year to date ended 30 November 2017 had been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 29 October 2018.

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2018.

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2018**

	<b>Current Quarter Ended</b>	<b>Corresponding Quarter Ended</b>	<b>Current Year To Date</b>	<b>Corresponding Year To Date</b>
	<b>30-Nov-2018</b>	<b>30-Nov-2017</b>	<b>30-Nov-2018</b>	<b>30-Nov-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit net of tax	111,671	105,945	111,671	105,945
<b>Other comprehensive (loss)/ income:</b>				
Net movement on available-for-sale financial assets	(1,563)	(214)	(1,563)	(214)
Foreign currency translation differences of foreign operations	11,524	(15,554)	11,524	(15,554)
Net movement on cash flow hedge	(23,380)	-	(23,380)	-
<b>Other comprehensive loss</b>	<b>(13,419)</b>	<b>(15,768)</b>	<b>(13,419)</b>	<b>(15,768)</b>
<b>Total comprehensive income</b>	<b>98,252</b>	<b>90,177</b>	<b>98,252</b>	<b>90,177</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	96,322	89,894	96,322	89,894
Non-controlling interest	1,930	283	1,930	283
	<b>98,252</b>	<b>90,177</b>	<b>98,252</b>	<b>90,177</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2018.

**TOP GLOVE CORPORATION BHD.**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2018**

	Unaudited as at 30-Nov-2018 RM'000	Audited as at 31-Aug-2018 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,167,731	2,064,817
Land use rights	121,266	101,675
Investment properties	163,900	163,900
Investment in associate	2,453	1,697
Deferred tax assets	12,717	14,288
Intangible asset	39,174	-
Investment	392	392
Goodwill	1,220,364	1,304,496
	<b>3,727,997</b>	<b>3,651,265</b>
<b>Current assets</b>		
Inventories	502,034	508,186
Trade and other receivables	641,165	646,179
Other current assets	93,340	106,380
Investment securities	208,287	193,714
Cash and bank balances	202,162	164,836
	<b>1,646,988</b>	<b>1,619,295</b>
<b>Total assets</b>	<b>5,374,985</b>	<b>5,270,560</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	427,612	499,685
Other current liabilities	55,556	59,248
Loans and borrowings	918,336	882,575
Tax payable	17,634	8,680
Derivative financial instruments	1,323	856
	<b>1,420,461</b>	<b>1,451,044</b>
<b>Net current assets</b>	<b>226,527</b>	<b>168,251</b>
<b>Non-current liabilities</b>		
Loans and borrowings	1,340,656	1,330,359
Deferred tax liabilities	120,733	94,670
Provisions	719	719
	<b>1,462,108</b>	<b>1,425,748</b>
<b>Total liabilities</b>	<b>2,882,569</b>	<b>2,876,792</b>
<b>Net assets</b>	<b>2,492,416</b>	<b>2,393,768</b>
<b>Equity attributable to equity holders of the company</b>		
Share capital	788,129	787,709
Treasury shares	(9,325)	(9,325)
Retained earnings	1,705,529	1,595,546
Other reserves	(9,134)	4,551
	<b>2,475,199</b>	<b>2,378,481</b>
Non-controlling interest	17,217	15,287
<b>Total equity</b>	<b>2,492,416</b>	<b>2,393,768</b>
<b>Total equity and liabilities</b>	<b>5,374,985</b>	<b>5,270,560</b>
Net assets per share (RM)	0.97	0.94*

\* For comparative purpose, the Net assets per share for 31 August 2018 had been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 29 October 2018.



**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
AS AT 30 NOVEMBER 2018**

	<b>Current Year To Date Ended 30-Nov-2018 RM'000</b>	<b>Corresponding Year To Date Ended 30-Nov-2017 RM'000</b>
<b>Operating activities</b>		
Profit before taxation	141,879	121,990
Depreciation and amortisation	47,690	31,327
Other adjustments	29,066	(13,391)
<b>Operating cash flows before changes in working capital</b>	<u>218,635</u>	<u>139,926</u>
<b>Changes in working capital</b>		
Net change in current assets	26,422	(31,844)
Net change in current liabilities	(75,730)	(7,427)
<b>Cash flows from operating activities</b>	<u>169,327</u>	<u>100,655</u>
Interest paid	(18,670)	(1,599)
Tax paid	(15,560)	(13,006)
<b>Net cash flows generated from operating activities</b>	<u>135,097</u>	<u>86,050</u>
<b>Investing activities</b>		
Proceeds from disposal of investment securities	4,982	24,921
Purchase of investment securities	(20,347)	(62,182)
Purchase of property, plant and equipment	(104,604)	(101,959)
Proceeds from disposal of property, plant and equipment	7,034	10,124
Interest received	3,037	3,621
<b>Net cash flows used in investing activities</b>	<u>(109,898)</u>	<u>(125,475)</u>
<b>Financing activities</b>		
Issuance of shares to non-controlling interest	-	900
Proceeds from issuance of shares	396	2,390
Drawdown/ (repayment) of loans and borrowings	11,731	(41,843)
<b>Net cash flows generated from/(used in) financing activities</b>	<u>12,127</u>	<u>(38,553)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	37,326	(77,978)
<b>Cash and cash equivalents at 1 September</b>	164,836	240,068
<b>Cash and cash equivalents at 30 November</b>	<u>202,162</u>	<u>162,090</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2018.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 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 2018. 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 2018.

The audited financial statements of the Group for the year ended 31 August 2018 were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"). The significant accounting policies and method of computations adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 31 August 2018 except for the adoption of the following new MFRS and Issue Committee Interpretations ("IC Interpretations"):

**Description**

MFRS 9 Financial Instruments

MFRS 15 Revenue from Contracts with Customers

Clarifications to MFRS 15 Revenue from Contracts with Customers

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 140: Transfers of Investment Property

IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

Annual Improvements to MFRS Standards 2014 – 2016 Cycle

The adoption of the above mentioned standards did 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 2018 was not subject to any qualification.

**3. Seasonal or cyclical factors**

The operations of the Group were not affected by any seasonal or cyclical factors in view of its well-diversified world markets and the nature of the Company's products being disposable gloves.

**4. Extraordinary and exceptional items**

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 30 November 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 FIRST QUARTER ENDED 30 NOVEMBER 2018 (CONTINUED)

#### 6. Changes in debts and equity securities

As at the quarter ended 30 November 2018, a total of 1,280,229,124 new ordinary shares were issued pursuant to the Company's Bonus Issue exercise and 78,200 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 30 November 2018 are as follows:

	No. of shares	RM'000
As at 31 August 2018	1,280,229,124	787,709
Ordinary shares issued pursuant to Bonus Issue	1,280,229,124	-
Ordinary shares issued pursuant to the ESOS	78,200	420
As at 30 November 2018	2,560,536,448	788,129

Other than the above, there were no issuance and repayment of debt and equity securities, as well as share cancellations and resale of treasury shares 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	3.50 (interim)	89,454
2017	7.25	181,936
2016	7.25	181,655
2015	5.75	143,143
2014	4.00	99,009
2013	4.00	99,252
2012	4.00	99,038
2011	2.75	68,035
2010	4.00	98,877
2009	2.75	65,873
2008	1.38	32,389
2007	1.15	27,435
2006	0.92	21,173
2005	0.67	14,110
2004	0.59	12,295
2003	0.46	9,550
2002	0.14	2,808
2001	0.20	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, 100% in January 2016 and 100% in October 2018.
- 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 FIRST QUARTER ENDED 30 NOVEMBER 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.

#### 3 months ended 30 November 2018

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>						
External sales	1,077,755	122,435	29,618	32,157	-	1,261,965
Inter-segment sales	24,176	79,365	570	-	(104,111)	-
Total Revenue	<u>1,101,931</u>	<u>201,800</u>	<u>30,188</u>	<u>32,157</u>	<u>(104,111)</u>	<u>1,261,965</u>
<u>Result</u>						
Segment profit	135,374	19,823	1,748	2,847	-	159,792
Finance cost						(18,670)
Share of results of Associate						757
Profit before tax						<u>141,879</u>
<u>Assets</u>						
Segment assets	3,516,002	327,680	92,344	203,424	1,235,535	<u>5,374,985</u>
Goodwill						<u>1,220,364</u>
<u>Liabilities</u>						
Segment liabilities	1,312,637	94,458	21,812	1,315,743	137,919	<u>2,882,569</u>

- b. Secondary reporting segment – Business segments

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

#### 9. Valuation of property, 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 FIRST QUARTER ENDED 30 NOVEMBER 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 RM1,888.4 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 RM177.4 million.

## TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2018 (CONTINUED)

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

#### 14. Review of performance

A comparison of Top Glove's performance for the first quarter ended 30 November 2018 ("1QFY19") with the corresponding period last financial year is as follows:

	<b>1QFY19</b>	<b>1QFY18</b>	<b>Variance</b>
	<b>RM'mil</b>	<b>RM'mil</b>	<b>%</b>
Revenue	1,262.0	938.1	34.5%
Operating profit	159.8	122.9	30.0%
Profit before interest and tax	160.5	123.6	29.9%
Profit before tax	141.9	122.0	16.3%
Profit after tax	111.7	105.9	5.5%
Profit attributable to ordinary equity holders of the parent	110.1	105.4	4.5%

Top Glove achieved Sales Revenue of RM1.26 billion in 1QFY19, an increase of 34.5% compared with 1QFY18 and also its highest quarterly sales revenue to date. Profit Before Tax and Profit After Tax came in at RM141.9 million and RM111.7 million, up 16.3% and 5.5% respectively against the corresponding period last year. The Group also recorded strong Sales Volume (quantity sold) growth of approximately 19% versus 1QFY18.

Accounting for the Group's robust Sales figures was strong demand growth, which continued to be observed both in developed and emerging markets. The new capacity available from the newly completed factories and higher utilisation, coupled with ongoing internal improvements, resulted in better efficiency and profitability, and EBITDA margins improved to 16.3% from 16.1% in 1QFY18. However, higher interest cost from the funding for M&As and organic expansion has resulted in a lower PBT margin for this quarter.

The effective tax rate was higher due to a deferred tax liabilities provision of RM5.7 million in the current quarter, as compared with the previous year, where deferred tax liabilities were only provided for in 4QFY18. As at end of this quarter, the Group has an unutilised tax allowance balance of RM99 million which can be utilised for the coming quarters profit.

Raw material prices were mixed. The average price for natural rubber latex was RM3.78/kg, 24% lower than 1QFY18, while the average nitrile latex price surged 24% to USD1.26/kg, year-on-year.

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 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	2018	3MFY19 (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	4,214.5	1,262.0
EBITDA	197.8	287.5	364.7	196.7	297.7	310.6	301.8	441.7	524.7	480.9	694.1	205.3
EBITDA margin	14.4%	18.8%	17.5%	9.6%	12.9%	13.4%	13.3%	17.6%	18.2%	14.1%	16.5%	16.3%
PBT	134.6	222.0	305.0	145.5	240.7	242.2	216.3	363.5	442.2	385.0	528.6	141.9
PBT margin	9.8%	14.5%	14.7%	7.1%	10.4%	10.5%	9.5%	14.5%	15.3%	11.3%	12.5%	11.2%
Taxation	26.5	53.9	54.6	30.3	33.4	39.4	32.7	82.3	79.8	54.5	90.7	30.2
PAT	108.1	168.1	250.4	115.1	207.3	202.8	183.6	281.2	362.4	330.5	437.9	111.7
PAT margin	7.8%	11.0%	12.0%	5.6%	9.0%	8.8%	8.1%	11.2%	12.5%	9.7%	10.4%	8.9%

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2018 (CONTINUED)****15. Comparison of 1QFY19 Quarterly Profit Before Tax (PBT) with preceding quarter**

	<b>1QFY19</b>	<b>4QFY18</b>	<b>Variance</b>
	<b>RM'mil</b>	<b>RM'mil</b>	<b>%</b>
Revenue	1,262.0	1,217.4	3.7%
Operating profit	159.8	166.9	(4.3%)
Profit before interest and tax	160.5	166.2	(3.4%)
Profit before tax	141.9	147.9	(4.1%)
Profit after tax	111.7	102.6	8.9%
Profit attributable to ordinary equity holders of the parents	110.1	102.2	7.7%

The Group's Sales Revenue grew 3.7%. Meanwhile, Profit Before Tax eased 4.1% but Profit After Tax was 8.9% higher than 4QFY18. The slight decline in profitability was mainly due to weaker contribution from the vinyl glove segment following more intense competition as the supply of vinyl glove normalised. Meanwhile, Sales Volume rose 1% compared with 4QFY18. Raw material prices were lower compared with 4QFY18, with average natural rubber latex and nitrile latex prices easing by 11% to RM3.78/kg, and 4% to USD1.26/kg respectively.

**16. Commentary on prospects and targets**

Top Glove's expansion plans are on track and will boost the Group's total number of production lines by an additional 148 lines and production capacity by 14.8 billion gloves per annum, as shown in table below:

<b>Manufacturing</b>	<b>Commence production by (calendar quarter)</b>	<b>Country</b>	<b>Number of production lines</b>	<b>Capacity (pieces per annum)</b>
F32 new factory, 1st phase	1 <sup>st</sup> quarter 2019	Malaysia	22 lines	2.2 billion
F32 new factory, 2nd phase	3 <sup>rd</sup> quarter 2019	Malaysia	12 lines	1.2 billion
F33 new block	4 <sup>th</sup> quarter 2019	Malaysia	12 lines	1.2 billion
F5A new block	4 <sup>th</sup> quarter 2019	Malaysia	20 lines	2.0 billion
F40 new factory, 1st phase	4 <sup>th</sup> quarter 2019	Malaysia	22 lines	2.2 billion
F40 new factory 2nd phase	1 <sup>st</sup> quarter 2020	Malaysia	8 lines	0.8 billion
F8A new factory, 1st phase	2 <sup>nd</sup> quarter 2020	Thailand	32 lines	3.2 billion
F42 new factory 1st phase	3 <sup>rd</sup> quarter 2020	Vietnam	20 lines	2.0 billion
		<b>Total</b>	<b>148 lines</b>	<b>14.8 billion</b>

By December 2020, Top Glove is projected to have 796 production lines and a production capacity of 75.3 billion gloves per annum.

Ongoing efforts are in place to improve the operational performance of Aspion. The Group's Engineering, R&D and Human Resources teams, as well as other supporting departments will continue to focus on further enhancement, modification and improvement of the glove production process, leveraging the latest technology and automation, towards ensuring cost efficiency and quality improvement.

## TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2018 (CONTINUED)

With its strong, consistent performance and robust growth in market capitalisation since its listing in 2001, with total shareholders return of approximately 9,311% over 17 years, Top Glove will be officially included as a constituent of the FTSE Bursa Malaysia KLCI, a stock market index that lists 30 of the largest companies on Bursa Malaysia by market capitalisation, effective 24 December 2018. Top Glove was also recognised at The Edge's Billion Ringgit Club Awards held on 11 December 2018, where it received awards for Highest Return on Equity Over 3 Years, Highest Growth in Profit Over 3 Years and Highest Return to Shareholders Over 3 Years under the Healthcare sector. It also won an award at the MSWG Asean Corporate Governance Award 2018 under the Top 50 ASEAN PLCs category, as well as the Asean Business Awards 2018 under the Priority Integrated Sector (Rubber-based) category.

Employee well-being continues to be a foremost priority at Top Glove. We acknowledge that our people have been instrumental to our success thus far and will continue to be the most important factor in achieving our Fortune Global 500 Dream. We recognise there are areas we can improve on and are committed to doing so, particularly in terms of health and working environment.

Top Glove expects the business environment to continue being challenging in the new year, in view of intensifying competition and cost increases, such as the impending increase in minimum wage effective January 2019. However, it believes industry prospects remain promising given that glove usage is still on the rise, particularly in emerging countries and set to grow by 10% every year.

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

Not applicable as no profit forecast was issued.

#### 18. Taxation

	Quarter Ended and Year To Date Ended	
	30 Nov 2018 RM'000	30 Nov 2017 RM'000
Income tax		
- Current quarter/year	24,533	15,787
Real property gain tax	-	288
Deferred taxation	5,675	(30)
	<u>30,208</u>	<u>16,045</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.

## TOP GLOVE CORPORATION BHD.

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

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2018 (CONTINUED)

#### 21. Status of corporate proposals announced

The outstanding corporate proposals which has been announced by the Company and intended to seek for its shareholders' approval at the forthcoming Twentieth Annual General Meeting ("AGM") as follow:

- a) Proposed allocation of awards under the Employees' Share Grant Plan and allocation of options pursuant to the new Employees' Share Option Scheme to a person connected to directors; and
- b) Proposed adoption of a new Constitution of the Company.

Except the above-mentioned, there is no other corporate proposals announced or outstanding as at 17 December 2018.

#### 22. Derivative financial instruments

	As at 30 November 2018	
	Contract/Notional Amount RM'000	Fair value Liabilities RM'000
Forward currency contracts	346,053	(1,323)

As at 30 November 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 and EURO for which firm commitments existed at the reporting date, extending to April 2019.

During the year-to-date ended 30 November 2018, the Group recognised a loss of RM468,000 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 30 November 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)	104,459	-	104,459
Financial assets at fair value through profit or loss			
• Money market funds (quoted in Malaysia)	103,828	-	103,828
Liabilities measured at fair value:			
Derivative financial instruments	-	(1,323)	(1,323)



**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2018 (CONTINUED)****24. Group loans and borrowings**

The Group loans and borrowings as at 30 November 2018 were as follows:

	As at 30 Nov 2018		As at 30 Nov 2017		
	Foreign Currency Denominated '000	RM'000	Foreign Currency Denominated '000	RM'000	
<b>Current</b>					
Unsecured					
Promissory notes	-	34,957	-	-	
Promissory notes	USD 678	2,838	-	-	
Promissory notes	THB 347,902	44,280	THB 489,102	61,243	
Revolving credit	USD 119,450	500,257	USD 42,900	175,332	
Revolving credit	-	77,500	-	15,000	
		<u>659,832</u>		<u>251,575</u>	
Secured					
Bank overdraft	-	1,781	-	-	
Bankers' acceptance	-	40,042	-	-	
Hire purchase	-	1,024	-	-	
Revolving credit	USD 29,115	121,934	USD 5,220	21,334	
Term loan	USD 21,382	89,549	-	-	
Term loan	-	4,174	-	-	
		<u>258,504</u>		<u>21,334</u>	
Total current borrowings		<u>918,336</u>		<u>272,909</u>	
<b>Non-current</b>					
Secured					
Revolving credit	USD 7,380	30,908	USD 12,600	51,496	
Term loan	-	11,468	-	-	
		<u>42,376</u>		<u>51,496</u>	
Unsecured					
Syndicated loan	USD 310,000	1,298,280	-	-	
Total non-current borrowings		<u>1,340,656</u>		<u>51,496</u>	
Summary		<b>RM'000</b>		<b>RM'000</b>	
	USD	488,005	2,043,766	USD 60,720	248,162
	RM	170,946	170,946	RM 15,000	15,000
	THB	347,902	44,280	THB 489,102	61,243
<b>Total loans and borrowings</b>		<u>2,258,992</u>		<u>324,405</u>	
Exchange rate RM to USD1.00		4.1880		4.0870	
Exchange rate RM to THB1.00		0.1273		0.1252	

## TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2018 (CONTINUED)

#### 25. Notes to the Statement of Comprehensive Income

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

	<b>Quarter Ended and Year To Date Ended 30 Nov 2018 RM'000</b>
Interest income	2,938
Other income including investment income	8,229
Interest expenses	(18,670)
Depreciation and amortization	(47,690)
Foreign exchange loss	(7,216)
Fair value loss on foreign exchange contracts	(468)

#### 26. 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) Fresh Mareva Injunction against Low Chin Guan, Wong Chin Toh and ACPL in the Writ Action and the KL OS2 (“the Applications”).

The Company and Top Care have an injunctioned sum of RM219.7 million until the outcome of the Appeals on the Applications.

The next case management for the Appeals is on 31 January 2019.

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

In aid of the Singapore Arbitration, our Company and Top Care had applied for a Singapore Mareva Injunction on 2 July 2018 and was granted on the same day by the Singapore High Court.

The hearing dates fixed for Adventa Capital’s application to set aside the Company’s and Top Care’s Singapore Mareva Injunction in the Singapore OS and the leave application are from 14 to 16 May 2019.

Based on available information and on legal advice, there is a likely chance of succeeding in this claim.

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2018 (CONTINUED)****27. Dividends**

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

The total dividend paid and proposed by the Company in respect of the financial year ended 31 August 2018 is 8.50 sen per ordinary share amounting to approximately RM217.3 million. The Company paid a First Single Tier Interim Dividend of 3.5 sen per ordinary share amounting to RM89.5 million on 17 July 2018. The Board of Directors has also proposed a Single Tier Final Dividend of 5 sen per ordinary share amounting to approximately RM127.8 million for the financial year ended 31 August 2018. The proposed final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting on 8 January 2019.

**28. Earnings per share**

	<b>Quarter Ended and Year To Date Ended</b>	
	<b>30 Nov 2018</b>	<b>30 Nov 2017</b>
Net profit attributable to owners of the Company shareholders (RM'000)	110,055	105,445
<b><u>Basic</u></b>		
Weighted average number of ordinary shares in issue ('000)	2,554,246	2,530,318
<b>Basic earnings per share (sen)</b>	4.31	4.17 *
<b><u>Diluted</u></b>		
Weighted average number of ordinary shares in issue ('000)	2,554,246	2,530,318
Effect of dilution: share options ('000)	621	2,543
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	2,554,867	2,532,861
<b>Diluted earnings per share (sen)</b>	4.31	4.16 *

\*For comparative purpose, the number of ordinary shares issued as at 30 November 2017 had been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 29 October 2018.

**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*

## A HEALTHY START TO FY2019

*Top Glove continues to deliver robust growth amidst challenging times*

**Shah Alam, Monday, 17 Dec 2018** Top Glove Corporation Bhd (“Top Glove”) today announced its financial results for the First Quarter ended 30 November 2018 (“1QFY19”), commencing its new financial year on a strong note despite a challenging environment.

Top Glove achieved 1QFY19 Sales Revenue of RM1.26 billion, representing an increase of 34.5% compared with 1QFY18 and its highest quarterly Sales Revenue to date. Profit Before Tax and Profit After Tax came in at RM141.9 million and RM111.7 million, up 16.3% and 5.5% respectively against the corresponding period last year. The Group also recorded solid Sales Volume (Quantity Sold) growth of 19% year-on-year.

On a quarter-on-quarter comparison, Sales Revenue grew 3.7%, as Sales Volume rose 1%. Meanwhile, Profit After Tax was 8.9% higher than 4QFY18.

Accounting for the Group's robust Sales figures was strong demand growth, which continued to be observed both in developed and emerging markets. Additional capacity available from newly completed factories coupled with higher utilisation, as well as ongoing operational improvements, resulted in better efficiency. Meanwhile, lower average raw material prices also boosted margins and profitability, with EBIDTA margins improving to 16.3% from 16.1% in 1QFY18. However, higher interest costs from the funding for M&As and organic expansion, and a lower contribution from the vinyl glove segment following intensifying competition in the vinyl glove segment as supply from China normalised, resulted in a softer Profit Before Tax margin for this quarter.

Raw material prices were mixed. The average price for natural rubber latex was RM3.78/kg, 24% and 11% lower than 1QFY18 and 4QFY18 respectively. Meanwhile, the average nitrile latex price surged 24% to USD1.26/kg, year-on-year but decreased 4% versus the previous quarter.

Tan Sri Dr Lim Wee Chai, Top Glove Corporation Bhd’s Executive Chairman said, “We have commenced the new financial year 2019 on healthy and positive note. It is not easy to keep delivering

strong results amidst an increasingly challenging operating environment and this is largely the result of our concerted marketing efforts, and ongoing quality and efficiency enhancement programs.”

Top Glove’s expansion plans are on track. In progress is the expansion of several existing facilities: F32 (Phases 1 & 2 to commence operations by 1<sup>st</sup> quarter and 3<sup>rd</sup> quarter 2019 respectively), F33 (to commence operations by 4<sup>th</sup> quarter 2019), F5A (to commence operations by 4<sup>th</sup> quarter 2019), and F40 (Phases 1 & 2 to commence operations by 4<sup>th</sup> quarter 2019 and 1<sup>st</sup> quarter 2020 respectively). Meanwhile, its newest factory F8A in Thailand, is scheduled to be operational 2<sup>nd</sup> quarter 2020 and Top Glove’s factory in Vietnam (F42), is expected to commence operations by 3<sup>rd</sup> quarter 2020. These will boost the Group’s total number of production lines by an additional 148 lines and production capacity by 14.8 billion gloves per annum. By December 2020, Top Glove is projected to have 796 production lines and a production capacity of 75.3 billion gloves per annum.

Ongoing efforts are in place to improve the performance of Aspion. The Group’s Engineering, R&D and Human Resources teams, as well as other supporting departments will continue to focus on further enhancement, modification and improvement of the glove production process, leveraging the latest technology and automation, towards ensuring cost efficiency and quality improvement.

A testament to its strong, consistent performance and robust growth in market capitalisation, with a return to shareholders of 9,311% since its listing in 2001, Top Glove will be officially included as a constituent of the FTSE Bursa Malaysia KLCI, a stock market index that lists 30 of the largest companies on Bursa Malaysia by market capitalisation, effective 24 December 2018. Top Glove was also recognised at The Edge’s Billion Ringgit Club Awards held on 11 December 2018, where it received awards for *Highest Return on Equity Over 3 Years*, *Highest Growth in Profit Over 3 Years* and *Highest Return to Shareholders Over 3 Years* under the Healthcare sector. It also won an award at the MSWG Asean Corporate Governance Award 2018 under the Top 50 ASEAN PLCs category, as well as at the Asean Business Awards 2018 under the Priority Integrated Sector (Rubber-based) category.

Employee well-being continues to be a foremost priority at Top Glove. We acknowledge that our people have been instrumental to our success thus far and will continue to be the most important factor in achieving our Fortune Global 500 Dream. We recognise there are areas we can improve on and are committed to doing so, particularly in terms of health and working environment.

Top Glove expects the business environment to continue being challenging in the new year, in view of intensifying competition and cost increases, such as the impending increase in minimum wage effective January 2019. However, it believes industry prospects remain promising given that glove usage is still on the rise, particularly in emerging countries and set to grow by 10% every year.

Tan Sri Dr Lim commented, “We have started our financial year well, with a healthy set of results. I am confident that as we continue to focus steadily on improving our quality and efficiency, as well as

adopting technological advancements across our operations, we can look forward to a very good year ahead”.

— ### —

### **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 MSCI Global Standard Index, FTSE Bursa Malaysia KLCI Index, FBM Top 100 Index, FBM Emas Index, FBM Emas Syariah Index, and FTSE4Good Bursa Malaysia Index. 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:***

	<b>As at 17 December 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	18,000