

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

### TOP GLOVE CORPORATION BHD

Financial Year End 31 Aug 2018  
 Quarter 3 Qtr  
 Quarterly report for the financial period ended 31 May 2018  
 The figures have not been audited

#### Attachments

[TopGlove\\_3QFY18\\_Financial Results.pdf](#)  
395.4 kB

[TopGlove\\_3QFY18\\_Press Release.pdf](#)  
109.6 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

#### SUMMARY OF KEY FINANCIAL INFORMATION 31 May 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 May 2018	31 May 2017	31 May 2018	31 May 2017
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	1,100,574	869,641	2,997,130	2,506,761
2 Profit/(loss) before tax	134,209	91,504	380,723	283,988
3 Profit/(loss) for the period	119,386	77,549	335,321	234,385
4 Profit/(loss) attributable to ordinary equity holders of the parent	117,571	77,713	332,026	234,082
5 Basic earnings/(loss) per share (Subunit)	9.36	6.20	26.45	18.68
6 Proposed/Declared dividend per share (Subunit)	7.00	6.00	7.00	6.00
	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 (\$\$)	1.7800		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
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Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

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**Announcement Info**

<b>Company Name</b>	TOP GLOVE CORPORATION BHD
<b>Stock Name</b>	TOPGLOV
<b>Date Announced</b>	19 Jun 2018
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-15032018-00001

**TOP GLOVE****TOP QUALITY, TOP EFFICIENCY****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 THIRD QUARTER ENDED 31 MAY 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-May-2018</b>	<b>31-May-2017</b>	<b>31-May-2018</b>	<b>31-May-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	1,100,574	869,641	2,997,130	2,506,761
Operating expenses	(964,018)	(787,912)	(2,633,852)	(2,252,656)
Other operating income	10,774	11,367	32,077	34,918
<b>Profit from operations</b>	<b>147,330</b>	<b>93,096</b>	<b>395,355</b>	<b>289,023</b>
Finance costs	(12,667)	(1,532)	(16,987)	(4,175)
Share of results of associates	(454)	(60)	2,355	(860)
<b>Profit before tax</b>	<b>134,209</b>	<b>91,504</b>	<b>380,723</b>	<b>283,988</b>
Taxation	(14,823)	(13,955)	(45,402)	(49,603)
<b>Profit net of tax</b>	<b>119,386</b>	<b>77,549</b>	<b>335,321</b>	<b>234,385</b>
<b>Profit attributable to:</b>				
Owners of the parent	117,571	77,713	332,026	234,082
Non-controlling interests	1,815	(164)	3,295	303
	<b>119,386</b>	<b>77,549</b>	<b>335,321</b>	<b>234,385</b>
<b>Earnings per share attributable to owners of the parent (sen) :</b>				
<b>Basic</b>	<b>9.36</b>	<b>6.20</b>	<b>26.45</b>	<b>18.68</b>
<b>Diluted</b>	<b>9.35</b>	<b>6.19</b>	<b>26.44</b>	<b>18.66</b>

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 THIRD QUARTER ENDED 31 MAY 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-May-2018</b>	<b>31-May-2017</b>	<b>31-May-2018</b>	<b>31-May-2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit net of tax	119,386	77,549	335,321	234,385
<b>Other comprehensive (loss)/ income:</b>				
Net movement on available-for-sale financial assets	(58)	3,976	(661)	6,773
Foreign currency translation	(5,623)	(9,760)	(22,420)	18,694
Net movement on cash flow hedge	2,847	-	2,847	-
<b>Other comprehensive (loss)/ income</b>	<b>(2,834)</b>	<b>(5,784)</b>	<b>(20,234)</b>	<b>25,467</b>
<b>Total comprehensive income</b>	<b>116,552</b>	<b>71,765</b>	<b>315,087</b>	<b>259,852</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	114,773	72,058	312,084	258,968
Non-controlling interest	1,779	(293)	3,003	884
	<b>116,552</b>	<b>71,765</b>	<b>315,087</b>	<b>259,852</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 2017

**TOP GLOVE CORPORATION BHD.**

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

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

	Unaudited as at 31-May-2018 RM'000	Audited as at 31-Aug-2017 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	2,057,008	1,523,406
Land use rights	113,331	40,457
Investment properties	84,848	83,156
Investment in associates	2,355	-
Deferred tax assets	17,961	14,681
Development cost	7,902	-
Investment	392	392
Goodwill	1,214,273	22,805
	<b>3,498,070</b>	<b>1,684,897</b>
<b>Current Assets</b>		
Inventories	444,867	315,775
Trade and other receivables	579,677	419,349
Other current assets	83,367	51,258
Tax recoverable	15,093	17,351
Derivative financial instruments	-	645
Investment securities	248,404	206,910
Cash and bank balances	190,936	240,068
	<b>1,562,344</b>	<b>1,251,356</b>
<b>Total Assets</b>	<b>5,060,414</b>	<b>2,936,253</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	480,468	418,802
Other current liabilities	54,990	62,292
Loans and borrowings	623,861	314,644
Derivative financial instruments	1,906	-
Dividend payable	89,423	-
	<b>1,250,648</b>	<b>795,738</b>
<b>Net Current Assets</b>	<b>311,696</b>	<b>455,618</b>
<b>Non-Current Liabilities</b>		
Loans and borrowings	1,444,989	61,750
Deferred tax liabilities	88,701	66,284
	<b>1,533,690</b>	<b>128,034</b>
<b>Total Liabilities</b>	<b>2,784,338</b>	<b>923,772</b>
<b>Net Assets</b>	<b>2,276,076</b>	<b>2,012,481</b>
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	785,100	636,644
Treasury shares	(9,739)	(9,739)
Retained earnings	1,449,060	1,313,876
Other reserves	41,545	62,499
	<b>2,265,966</b>	<b>2,003,280</b>
Non-controlling interest	10,110	9,201
<b>Total Equity</b>	<b>2,276,076</b>	<b>2,012,481</b>
<b>Total Equity and Liabilities</b>	<b>5,060,414</b>	<b>2,936,253</b>
Net Assets per share (RM)	1.78	1.60

**TOP GLOVE CORPORATION BHD**

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

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

	Attributable to Equity Holders of the Company											Non-controlling interest RM'000
	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	Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Cash flow hedge RM'000	Fair value adjustment reserve RM'000	Distributable Retained earnings RM'000	
<b>9 Months Ended 31 May 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>	315,087	312,084	-	-	-	(22,128)	-	-	2,847	(661)	332,026	3,003
<b>Transactions with owners</b>												
Issuance of ordinary shares pursuant to ESOS	9,713	9,713	9,713	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares	137,000	137,000	137,000	-	-	-	-	-	-	-	-	-
Issuance of shares to non-controlling interest	1,538	-	-	-	-	-	-	-	-	-	-	1,538
Acquisition of subsidiary	(3,632)	-	-	-	-	-	-	-	-	-	-	(3,632)
Transfer from share option reserve	-	-	1,743	-	-	-	-	(1,743)	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	-	731	-	-	-	(731)	-
Dividend on ordinary shares	(196,111)	(196,111)	-	-	-	-	-	-	-	-	(196,111)	-
<b>Total transactions with owners</b>	<b>(51,492)</b>	<b>(49,398)</b>	<b>148,456</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>731</b>	<b>(1,743)</b>	<b>-</b>	<b>-</b>	<b>(196,842)</b>	<b>(2,094)</b>
<b>Closing balance at 31 May 2018</b>	<b>2,276,076</b>	<b>2,265,966</b>	<b>785,100</b>	<b>-</b>	<b>(9,739)</b>	<b>31,572</b>	<b>5,660</b>	<b>825</b>	<b>2,847</b>	<b>641</b>	<b>1,449,060</b>	<b>10,110</b>
<b>9 Months Ended 31 May 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>	259,852	258,968	-	-	-	18,113	-	-	-	6,773	234,082	884
<b>Transactions with owners</b>												
Issuance of ordinary shares pursuant to ESOS	2,701	2,701	1,650	1,051	-	-	-	-	-	-	-	-
Issuance of shares to non-controlling interest	480	-	-	-	-	-	-	-	-	-	-	480
Changes in ownership interest in subsidiary	-	20	-	-	-	-	-	-	-	-	20	(20)
Reclassification due to compliance with Company Act 2016	-	-	6,110	(6,110)	-	-	-	-	-	-	-	-
Transfer from share option reserve	-	-	-	278	-	-	-	(278)	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	(326)	-	-	326	-
Dividend on ordinary shares	(181,727)	(181,727)	-	-	-	-	-	-	-	-	(181,727)	-
<b>Total transactions with owners</b>	<b>(178,546)</b>	<b>(179,006)</b>	<b>7,760</b>	<b>(4,781)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(604)</b>	<b>-</b>	<b>-</b>	<b>(181,381)</b>	<b>460</b>
<b>Closing balance at 31 May 2017</b>	<b>1,907,145</b>	<b>1,897,975</b>	<b>635,166</b>	<b>-</b>	<b>(9,739)</b>	<b>43,789</b>	<b>4,278</b>	<b>2,257</b>	<b>-</b>	<b>2,466</b>	<b>1,219,758</b>	<b>9,170</b>

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 MAY 2018**

	<b>Current Year To Date Ended 31-May-2018 RM'000</b>	<b>Corresponding Year To Date Ended 31-May-2017 RM'000</b>
<b>Operating Activities</b>		
Profit before taxation	380,723	283,988
Depreciation and amortisation	102,909	82,051
Other adjustments	787	11,454
<b>Operating cash flows before changes in working capital</b>	<u>484,419</u>	<u>377,493</u>
<b>Changes in working capital</b>		
Net change in current assets	(81,022)	(186,485)
Net change in current liabilities	(50,448)	46,824
<b>Cash flows from operating activities</b>	<u>352,949</u>	<u>237,832</u>
Interest paid	(16,987)	(4,175)
Tax paid	(37,074)	(56,001)
<b>Net cash flows generated from operating activities</b>	<u>298,888</u>	<u>177,656</u>
<b>Investing activities</b>		
Proceeds from disposal of investment securities	26,887	322,047
Purchase of investment securities	(71,314)	(60,143)
Purchase of property, plant and equipment	(336,359)	(306,947)
Proceeds from disposal of property, plant and equipment	24,040	10,757
Net cash outflow on acquisition of subsidiaries	(1,270,635)	-
Interest received	9,409	13,403
<b>Net cash flows used in investing activities</b>	<u>(1,617,972)</u>	<u>(20,883)</u>
<b>Financing activities</b>		
Dividend paid on ordinary shares	(106,688)	(106,508)
Dividend receive from associate	-	787
Issuance of shares to non-controlling interest	1,538	480
Proceeds from issuance of shares	9,713	2,701
Drawdown/ (repayment) of loans and borrowings	1,365,389	(65,461)
<b>Net cash flows generated from/(used in) financing activities</b>	<u>1,269,952</u>	<u>(168,001)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(49,132)</u>	<u>(11,228)</u>
<b>Cash and cash equivalents at 1 September</b>	<u>240,068</u>	<u>224,099</u>
<b>Cash and cash equivalents at 31 May</b>	<u>190,936</u>	<u>212,871</u>

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 THIRD QUARTER ENDED 31 MAY 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.

The audited financial statements of the Group for the year ended 31 August 2017 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 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 May 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 THIRD QUARTER ENDED 31 MAY 2018 (CONTINUED)

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

As at the quarter ended 31 May 2018, 20,505,000 new ordinary shares were issued as part of the consideration for the acquisition of Aspion Sdn. Bhd., whereas 953,400 ordinary shares were issued pursuant to the exercise of the ESOS II. Details of the issued and paid-up capital of the Company as at 31 May 2018 are as follows:

	No. of shares	RM'000
As at 28 February 2018	1,258,175,424	643,065
Ordinary shares issued pursuant to the ESOS	953,400	5,035
Ordinary shares issued	20,505,000	137,000
As at 31 May 2018	1,279,633,824	785,100

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)
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>1,160,578</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)

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 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.

#### 9 months ended 31 May 2018

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	2,466,902	295,890	140,806	93,532	-	2,997,130
Inter-segment sales	45,734	262,253	1,773	-	(309,760)	-
Total Revenue	<u>2,512,636</u>	<u>558,143</u>	<u>142,579</u>	<u>93,532</u>	<u>(309,760)</u>	<u>2,997,130</u>
<b>Result</b>						
Segment profit	314,596	52,407	22,118	6,234	-	395,355
Finance cost						(16,987)
Share of results of Associates						<u>2,355</u>
Profit before tax						<u><u>380,723</u></u>
<b>Assets</b>						
Segment assets	3,221,183	316,484	92,111	180,954	35,409	<u>3,846,141</u>
Goodwill						<u><u>1,214,273</u></u>
<b>Liabilities</b>						
Segment liabilities	2,556,338	98,912	25,044	15,344	88,700	<u>2,784,338</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 THIRD QUARTER ENDED 31 MAY 2018 (CONTINUED)

#### 11. Changes in the composition of the Group

During the quarter ended 31 May 2018, the acquisition of the following companies had been completed and added to the Group:

- a) The acquisition of Aspion Sdn. Bhd. (“Aspion”) was completed on 5 April 2018 and became a wholly-owned subsidiary of the Group;

Goodwill was recognised as a result of the acquisition as follows:

	RM'000
Fair value of consideration transferred	1,370,000
Provisional fair value of identifiable assets acquired and liabilities assumed	(267,149)
Goodwill attributable to owners of parent (provisional)	<u>1,102,851</u>

The Group is currently in the process of performing the purchase price allocation for Aspion, to identify all intangible assets and its allocated goodwill. The Company has up to 12 months from the completion of acquisition to complete such allocation. Accordingly, on a provisional basis, the Group has recognised goodwill of RM1.1 billion.

- b) The acquisition of Duramedical Sdn. Bhd. was completed on 14 May 2018 and became a 85% owned subsidiary of the Group; and
- c) The acquisition of remaining 30% stake in Kevenoll Do Brasil was completed on 30 May 2018 and became a wholly-owned subsidiary of the Group.

Other than the above-mentioned, 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 RM1,714.4 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 RM168.7 million.

## TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)

(Incorporated in Malaysia)

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2018 (CONTINUED)

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

#### 14. Review of performance

A comparison of Top Glove's performance for the third quarter ended 31 May 2018 ("3QFY18") with the corresponding period last financial year is as follows:

	<b>3QFY18</b>	<b>3QFY17</b>	<b>Variance</b>	<b>9MFY18</b>	<b>9MFY17</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	1,100.6	869.6	26.6%	2,997.1	2,506.8	19.6%
Operating profit	147.3	93.1	58.2%	395.4	289.0	36.8%
Profit before interest and tax	146.9	93.0	58.0%	397.7	288.2	38.0%
Profit before tax	134.2	91.5	46.7%	380.7	284.0	34.0%
Profit after tax	119.4	77.5	54.1%	335.3	234.4	43.0%
Profit attributable to ordinary equity holders of the parent	117.6	77.7	51.4%	332.0	234.1	41.8%

The Group achieved 3QFY18 Sales Revenue of RM1.1 billion, a 26.6% increased year-on-year. Both Profit before tax and after tax also rose to RM134.2 million and RM119.4 million, which increased by 46.7% and 54.1% respectively compared with 3QFY17. Meanwhile, Sales Volume (Quantity Sold) surged by a record historical high of 37% from 3QFY17.

On a 9 months basis, the Group attained Sales Revenue of RM3 billion, 19.6% higher than 9MFY17. Profit Before Tax came in at RM380.7 million, while Profit After Tax was RM335.3 million, both figures surpassing full year for FY2017.

The excellent set of numbers followed increased glove demand, which Top Glove's balanced product mix is well positioned to cater for. Stronger demand growth stemmed particularly from Asia (where demand growth from India, China and Vietnam exceeded 100% on a 9-month basis), as well as Eastern Europe and Latin America.

The stronger glove demand also led to better cost efficiencies resulting from a higher utilisation rate, thereby contributing to the Group's good performance. Top Glove's focus on continuous quality and cost improvement initiatives, and harnessing technological advances to address business challenges also accounted for the improved profitability. Nonetheless, this was offset by a marked increase in the natural gas tariff and additional wage-cost.

Raw material prices were lower compared with 3QFY17, with the average natural rubber latex price on the downtrend, easing 38% to RM4.38/kg, and the average nitrile latex price also eased by 14.2% to USD1.15/kg.

**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 MAY 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	9MFY18 (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	2,997.1
EBITDA	197.8	287.5	364.7	196.7	297.7	310.6	301.8	441.7	524.7	484.0	491.2
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	380.7
PBT margin	9.8%	14.5%	14.7%	7.1%	10.4%	10.5%	9.5%	14.5%	15.3%	11.2%	12.7%
Taxation	26.5	53.9	54.6	30.3	33.4	39.4	32.7	82.3	79.8	54.7	45.4
PAT	108.1	168.1	250.4	115.1	207.3	202.8	183.6	281.2	362.4	328.4	335.3
PAT margin	7.8%	11.0%	12.0%	5.6%	9.0%	8.8%	8.1%	11.2%	12.5%	9.6%	11.2%

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2018 (CONTINUED)

#### 15. Comparison of 3QFY18 Quarterly Profit Before Tax (PBT) with preceding quarter

	3QFY18 RM'mil	2QFY18 RM'mil	Variance %
Revenue	1,100.6	958.4	14.8%
Operating profit	147.3	125.2	17.7%
Profit before interest and tax	146.9	127.2	15.5%
Profit before tax	134.2	124.5	7.8%
Profit after tax	119.4	110.0	8.5%
Profit attributable to ordinary equity holders of the parents	117.6	109.0	7.9%

The Group achieved Sales Revenue of RM1.1 billion, a 14.8% increase quarter-on-quarter. Profit Before Tax also registered higher at RM134.2 million, representing an improvement of 7.8% compared with 2QFY18. Meanwhile, sales volume grew 8% versus 2QFY18. The improved performance was attributed to improvements in production efficiency and quality, coupled with new capacity coming onstream and strong demand growth. The upward trend in nitrile latex prices compared with 2QFY18 also caused some pricing pressure. The average natural rubber latex price eased 0.5%, while the average nitrile latex price was on the uptrend, increasing by 8.5%.

#### 16. Commentary on prospects and targets

As a growing and dynamic company, Top Glove will continue to expand its manufacturing capabilities, organically as well as through M&As and joint ventures. The construction of Factory 31 (operational by July 2018) and Factory 32 (operational by early 2019) is underway, which upon completion, will increase the Group's total number of production lines by an additional 74 lines and production capacity by 7.4 billion gloves per annum. Meanwhile, Top Glove's condom manufacturing facility is expected to be operational by end of June 2018.

The Group completed its acquisition of Aspion Sdn. Bhd. on 5 April 2018 and integration of the 2 businesses is in progress. In line with the Group's expansion plans, in May 2018, Top Glove also completed its acquisition of Duramedical Sdn. Bhd., a company manufacturing and marketing dental hygiene products such as dental dams, for the purchase consideration of RM2.85 million. The exercise represents an initiative to diversify into medical related products catering to its customer base.

The Group's financial position remained healthy as at 31 May 2018, with healthy working capital position. Consistent with its commitment to enhance the value delivered to shareholders, the Group declared an interim dividend of 7 sen, to be paid on 17 July 2018. The Board of Directors also proposed to undertake a bonus issue on the basis of one bonus share for every one existing Top Glove share held, subject to shareholder approval during an extraordinary general meeting to be convened later.

In another development, Top Glove was included as a constituent of the MSCI Global Standard Index effective 1 June 2018, in recognition of its strong and consistent growth.

While the USD shows signs of strengthening, the operating environment is still expected to be challenging. Nonetheless, the Group remains upbeat in terms of outlook.

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

Not applicable as no profit forecast was issued.

**18. Taxation**

	Quarter Ended		Year To Date Ended	
	31 May 2018 RM'000	31 May 2017 RM'000	31 May 2018 RM'000	31 May 2017 RM'000
Income tax				
- Current quarter/year	12,767	11,777	43,114	54,887
- Under provision in previous year	2	1,150	2	1,150
Real property gain tax	-	1	288	230
Deferred taxation	2,054	1,027	1,998	(6,664)
	<u>14,823</u>	<u>13,955</u>	<u>45,402</u>	<u>49,603</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 Company had on 20 April 2018 announced that:

- Proposed bonus issue of up to 1,280,267,624 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 18 June 2018.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 MAY 2018 (CONTINUED)****22. Group loans and borrowings**

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

	As at 31 May 2018		As at 31 May 2017	
	Foreign Currency Denominated '000	RM'000	Foreign Currency Denominated '000	RM'000
<b>Current</b>				
Unsecured				
Revolving credit (USD)	USD100,300	398,843	USD42,900	183,440
Revolving credit (RM)	-	56,291	-	-
Promissory notes (USD)	USD1,158	4,605	-	-
Promissory notes (THB)	THB419,102	52,117	THB564,102	70,736
		<u>511,856</u>		<u>254,176</u>
Secured				
Revolving credit (USD)	USD8,162	32,444	USD5,220	22,321
Bank overdraft (RM)	-	3,282	-	-
Bankers' acceptance (RM)	-	71,491	-	-
Hire purchase (RM)	-	3,787	-	-
Term loan (USD)	USD3	10	USD45	194
Term loan (RM)	-	991	-	-
		<u>112,005</u>		<u>22,515</u>
Total current borrowings		<u>623,861</u>		<u>276,691</u>
<b>Non-current</b>				
Secured				
Revolving credit (USD)	USD26,034	103,524	USD15,210	65,038
Hire purchase (RM)	-	8,414	-	-
Term loan (USD)	USD23,972	95,325	USD682	2,918
Term loan (RM)	-	5,011	-	-
		<u>212,274</u>		<u>67,956</u>
Unsecured				
Syndicated loan (USD)	USD310,000	1,232,715	-	-
Total non-current borrowings		<u>1,444,989</u>		<u>67,956</u>
<b>Total loans and borrowings</b>				
a) USD	469,629	1,867,466	64,057	273,911
b) RM	-	149,267	-	-
c) THB	419,102	52,117	564,102	70,736
		<u>2,068,850</u>		<u>344,647</u>

Exchange rate RM to USD1.00

3.9765

4.2760

Exchange rate RM to THB1.00

0.1243

0.1256



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 MAY 2018 (CONTINUED)****23. Derivative financial instruments**

	<b>As at 31 May 2018</b>	<b>Fair value Liabilities RM'000</b>
	<b>Contract/Notional Amount RM'000</b>	<b>RM'000</b>
Forward currency contracts	247,800	1,906

As at 31 May 2018, 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 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 May 2018, the Group recognised a loss of RM3.3 million arising from changes in fair value of the forward currency contracts.

**24. 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 May 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)	107,092	-	107,092
Financial assets at fair value through profit or loss			
-Money market funds (quoted in Malaysia)	141,312	-	141,312
Liabilities measured at fair value:			
Derivative financial instruments	-	1,906	1,906

**25. Realised and Unrealised Profits/Losses**

	<b>As at 31 May 2018 RM'000</b>	<b>As at 31 May 2017 RM'000</b>
Total retained earnings of the company and its subsidiaries:		
Realised	1,463,640	1,303,850
Unrealised	(69,464)	(58,676)
	1,394,176	1,245,174
Less : Consolidation adjustments	54,884	(25,416)
Total group retained earnings as per consolidated accounts	1,449,060	1,219,758

**TOP GLOVE CORPORATION BHD.**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 MAY 2018 (CONTINUED)****26. Notes to the Statement of Comprehensive Income**

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

	<b>Quarter ended 31 May 2018 RM'000</b>	<b>Year to date ended 31 May 2018 RM'000</b>
Interest income	3,960	9,409
Other income including investment income	6,814	22,668
Interest expenses	(12,667)	(16,987)
Depreciation and amortization	(38,965)	(102,909)
Foreign exchange loss	(7,381)	(1,219)
Fair value loss on foreign exchange contracts	(2,431)	(3,311)

**27. 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.

**28. Dividends**

The Board of Directors has on 19 June 2018, declared a first single tier interim dividend of 7 sen per ordinary share payable on 17 July 2018, amounting to approximately RM89.4 million for the quarter ended 31 May 2018.

**29. Earnings per share**

	<b>Quarter Ended</b>		<b>Year To Date Ended</b>	
	<b>31 May 2018</b>	<b>31 May 2017</b>	<b>31 May 2018</b>	<b>31 May 2017</b>
Net profit attributable to owners of the Company shareholders (RM'000)	<u>117,571</u>	<u>77,713</u>	<u>332,026</u>	<u>234,082</u>
<b><u>Basic</u></b>				
Weighted average number of ordinary shares in issue ('000)	<u>1,256,440</u>	<u>1,253,422</u>	<u>1,255,355</u>	<u>1,253,046</u>
<b>Basic earnings per share (sen)</b>	<u>9.36</u>	<u>6.20</u>	<u>26.45</u>	<u>18.68</u>
<b><u>Diluted</u></b>				
Weighted average number of ordinary shares in issue ('000)	<u>1,256,440</u>	<u>1,253,422</u>	<u>1,255,355</u>	<u>1,253,046</u>
Effect of dilution: share options ('000)	<u>402</u>	<u>1,336</u>	<u>402</u>	<u>1,336</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>1,256,842</u>	<u>1,254,758</u>	<u>1,255,757</u>	<u>1,254,382</u>
<b>Diluted earnings per share (sen)</b>	<u>9.35</u>	<u>6.19</u>	<u>26.44</u>	<u>18.66</u>

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# PRESS RELEASE

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

*For Immediate Release*

## TOP GLOVE DELIVERS AN OUTSTANDING QUARTER

*Group achieves for the first time above RM1 billion Sales Revenue within a single quarter*

- *YoY Sales Revenue up 27%*
- *YoY Profit After Tax rises 54%*
- *YoY Sales Volume surges 37%*

**Shah Alam, Tuesday, 19 June 2018** – Top Glove Corporation Bhd (“Top Glove”) today announced its financial results for the Third Quarter (“3QFY18”) ended 31 May 2018, delivering a stellar performance as it continued its upward trend, setting the scene for a strong finish to its financial year.

In 3QFY18, the Group delivered Sales Revenue of RM1.1 billion, a 26.6% increase year-on-year and the first time Top Glove has achieved Sales Revenue of above RM1 billion within a single quarter. Profit Before Tax also rose 46.7% to RM134.2 million and Profit After Tax went up by 54.1% to RM119.4 million compared with 3QFY17. Meanwhile, Sales Volume (Quantity Sold) surged by a record high of 37% in contrast to the corresponding period in FY17.

The Group also demonstrated positive growth in comparison with 2QFY18. Sales Revenue increased by 14.8%, while Profit Before Tax and Profit After Tax grew by 7.8% and 8.5% respectively. Sales Volume also improved by 8% quarter-on-quarter.

On a 9-month basis, the Group attained Sales Revenue of RM3 billion, 19.6% higher than 9MFY17. Profit Before Tax came in at RM380.7 million while Profit After Tax was RM335.3 million, both figures surpassing full year Profit for FY17.

The excellent set of numbers followed increased glove demand, which Top Glove’s balanced product mix is well positioned to cater for. Stronger demand growth stemmed particularly from Asia (where demand growth from India, China and Vietnam exceeded 100% on a 9-month basis), as well as Eastern Europe, Middle East and Latin America.

The stronger glove demand also led to better cost efficiencies resulting from a higher utilisation rate, thereby contributing to the Group's good performance. Top Glove's focus on continuous quality and cost improvement initiatives, and harnessing technological advances to address business challenges also accounted for the improved profitability. Nonetheless, this was offset by a marked increase in the natural gas tariff, while the upward trend in nitrile latex prices compared with 2QFY18 also caused some pricing pressure.

Raw material prices were mixed compared with 2QFY18, with the average nitrile latex price up 8.5% to USD1.15/kg, while the average natural rubber latex price was on the downtrend, easing 0.5% to RM4.38/kg.

Tan Sri Dr Lim Wee Chai, Top Glove Corporation Bhd's Executive Chairman remarked, "We are pleased to have performed exceptionally well this quarter. Our continuously strong results are attributed to increased glove demand and also a testament to the effectiveness of our ongoing internal improvement initiatives, which enable us to keep driving down costs, whilst still delivering the high quality gloves our customers have come to expect of us".

As a growing and dynamic company, Top Glove will continue to expand its manufacturing capabilities, organically as well as through M&As and joint ventures. The construction of Factory 31 (operational by July 2018) and Factory 32 (operational by early 2019) is underway, which upon completion, will increase the Group's total number of production lines by an additional 74 lines and production capacity by 7.4 billion gloves per annum. Meanwhile, Top Glove's condom manufacturing facility is expected to be operational by end June 2018.

The Group completed its acquisition of Aspion Sdn Bhd on 5 April 2018 and integration of the 2 businesses is in progress. In line with the Group's expansion plans, in May 2018, Top Glove also completed its acquisition of Duramedical Sdn Bhd, a company manufacturing and marketing dental hygiene products such as dental dams, for the purchase consideration of RM2.85 million. The exercise represents an initiative to diversify into medical related products catering to its customer base.

The Group's financial position remained healthy as at 31 May 2018, with a healthy working capital position. Consistent with its commitment to enhance the value delivered to shareholders, the Group declared an interim dividend of 7 sen to be paid on 17 July 2018. The Board of Directors also proposed to undertake a bonus issue on the basis of one bonus share for every one existing Top Glove share held, subject to shareholder approval during an extraordinary general meeting to be convened later.

In another development, Top Glove was included as a constituent of the MSCI Global Standard Index effective 1 June 2018, in recognition of its strong and consistent growth.

While the USD shows signs of strengthening, the operating environment is still expected to be challenging. Nonetheless, Tan Sri Dr Lim remains upbeat in terms of outlook.

“In business, challenges will always be there and we must be prepared for them. However, as we continue to undertake quality improvement and cost-saving projects, and leverage advanced technology, I am confident we will be able to conclude our financial year on a healthy and positive note.”

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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 MSCI Global Standard Index, 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 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 19 June 2018</b>
Number of Factories	39 (34 in Malaysia, 4 in Thailand, 1 in China)
Number of Glove Production Lines	618
Glove Production Capacity	57.5 billion pieces per annum
Number of Employees	17,000