

NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS) : BONUS ISSUES TOP GLOVE CORPORATION BHD ("TOP GLOVE" OR "COMPANY") PROPOSED BONUS ISSUE OF UP TO 5,476,974,322 NEW ORDINARY SHARES IN TOP GLOVE ("BONUS SHARES") ON THE BASIS OF TWO (2) BONUS SHARES FOR ONE (1) EXISTING ORDINARY SHARE HELD IN TOP GLOVE ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

TOP GLOVE CORPORATION BHD

Type	Announcement
Subject	NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS) BONUS ISSUES
Description	TOP GLOVE CORPORATION BHD ("TOP GLOVE" OR "COMPANY") PROPOSED BONUS ISSUE OF UP TO 5,476,974,322 NEW ORDINARY SHARES IN TOP GLOVE ("BONUS SHARES") ON THE BASIS OF TWO (2) BONUS SHARES FOR ONE (1) EXISTING ORDINARY SHARE HELD IN TOP GLOVE ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

On behalf of the Board of Directors of Top Glove, Hong Leong Investment Bank Berhad wishes to announce that the Company proposes to undertake the Proposed Bonus Issue.

Please refer to the attached document for the details of the Proposed Bonus Issue.

This announcement is dated 20 July 2020.

Please refer attachment below.

Attachments

Top Glove - Announcement (Proposed Bonus Issue).pdf
248.3 kB

Announcement Info

Company Name	TOP GLOVE CORPORATION BHD
Stock Name	TOPGLOV
Date Announced	20 Jul 2020

Category	General Announcement for PLC
Reference Number	GA1-16072020-00009

TOP GLOVE CORPORATION BHD (“TOP GLOVE” OR “COMPANY”)

PROPOSED BONUS ISSUE OF UP TO 5,476,974,322 NEW ORDINARY SHARES IN TOP GLOVE (“BONUS SHARES”) ON THE BASIS OF TWO (2) BONUS SHARES FOR ONE (1) EXISTING ORDINARY SHARE HELD IN TOP GLOVE ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE”)

1. INTRODUCTION

On behalf of the Board of Directors of Top Glove (“**Board**”), Hong Leong Investment Bank Berhad (“**HLIB**”) wishes to announce that the Company proposes to undertake the Proposed Bonus Issue.

2. PROPOSED BONUS ISSUE

2.1 Basis and number of Bonus Shares

The Proposed Bonus Issue involves the issuance of up to 5,476,974,322 Bonus Shares on the basis of two (2) Bonus Shares for one (1) existing new ordinary share held in Top Glove (“**Top Glove Share(s)**”) held by the shareholders of the Company whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later by the Board of the Company (“**Entitlement Date**”).

As at 6 July 2020, being the latest practicable date prior to this announcement (“**LPD**”), the issued share capital of the Company is RM1,589,670,156.10 comprising 2,694,711,259 Top Glove Shares, including 661,600 Top Glove Shares held as treasury shares by the Company (“**Treasury Shares**”). For avoidance of doubt, the Treasury Shares would be entitled to the Bonus Shares and such Bonus Shares will be treated as treasury shares held by the Company at the time the Bonus Shares are allotted. In addition, the Company also has:

- (i) 23,527,160 outstanding options under Top Glove’s employees’ share option scheme for the eligible employees and Executive Directors of the Company and its subsidiaries (“**Group**”) (“**ESOS Options**”) exercisable into 23,527,160 new Top Glove Shares; and
- (ii) an outstanding USD30,346,000 5-year Guaranteed Exchangeable Bonds 2019/2024 (equivalent to RM123,517,324 based on the settlement rate of USD1.00:RM4.0703) exchangeable into 20,248,742 new Top Glove Shares at the exchange price of RM6.10.

In this regard, the Proposed Bonus Issue will be based on the following scenarios:

Minimum Scenario	Maximum Scenario
Assuming:	Assuming:
(a) none of the outstanding ESOS Options are exercised into new Top Glove Shares; and	(a) all the 23,527,160 outstanding ESOS Options are exercised into new Top Glove Shares; and
(b) none of the outstanding 5-year Guaranteed Exchangeable Bonds 2019/2024 are exchanged into new Top Glove Shares,	(b) all the outstanding USD30,346,000 5-year Guaranteed Exchangeable Bonds 2019/2024 (equivalent to RM123,517,324 based on the settlement rate of USD1.00:RM4.0703) are exchanged into new Top Glove Shares at the exchange price of RM6.10, resulting in the issuance of 20,248,742 new Top Glove Shares,
from the LPD up to the Entitlement Date.	prior to the implementation of the Proposed Bonus Issue.
Number of Bonus Shares to be issued:	Number of Bonus Shares to be issued:
5,389,422,518	5,476,974,322
Enlarged issued share capital after the Proposed Bonus Issue:	Enlarged issued share capital after the Proposed Bonus Issue:
8,084,133,777 (including Treasury Shares)	8,215,461,483 (including Treasury Shares)

In determining entitlements under the Proposed Bonus Issue, fractional entitlements, if any, will be dealt with in such manner as the Board of the Company in its sole and absolute discretion deems fit and expedient, and in the best interest of the Company.

Top Glove's share price will be adjusted for the Proposed Bonus Issue. Pursuant to Paragraph 6.30(1A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), the share price adjusted for the Proposed Bonus Issue shall not be less than RM0.50 based on the daily volume weighted average market price ("**VWAMP**") of Top Glove Shares during the past 3-month period before the application date.

For illustrative purpose only, based on the 3-month VWAMP of the Top Glove Shares up to and including the LPD, the theoretical ex-bonus share price of Top Glove Shares is as follows:

	Before the Proposed Bonus Issue	After the Proposed Bonus Issue
	Market price RM	Theoretical ex-bonus share price RM
3-month VWAMP up to the LPD	13.38	4.46

Based on the above, the Proposed Bonus Issue is in compliance with Paragraph 6.30(1A) of the Listing Requirements.

The Proposed Bonus Issue will not be implemented in stages over a period of time.

2.2 No capitalisation of reserves

Under the Companies Act 2016, a bonus issue can be undertaken either:

- (i) by way of capitalisation of the retained earnings/accumulated profits of a company; or
- (ii) without capitalisation, where a company may issue and allot the bonus shares at nil consideration.

Given the above and the rationale of the Proposed Bonus Issue as set out in **Section 3** of this announcement, the Board has resolved that the Bonus Shares will be issued as fully paid shares at nil consideration, without any capitalisation from the Company's reserves.

The Proposed Bonus Issue will increase the number of Top Glove Shares in issue but will not increase the value of the issued share capital of the Company.

2.3 Ranking of the Bonus Shares

The Bonus Shares will upon allotment and issue, rank equally in all respects with the then existing issued Top Glove Shares. However, the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other distributions unless such Bonus Shares were issued on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

2.4 Listing and quotation for the Bonus Shares

An application will be made to Bursa Securities for the listing and quotation for the Bonus Shares on the Main Market of Bursa Securities.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE

After due consideration, the Board is of the view that the Proposed Bonus Issue is the most appropriate avenue of rewarding the existing shareholders of the Company while at the same time enhance the Company's capital base as the Proposed Bonus Issue will:

- (i) reward the existing shareholders of the Company for their continuous support;
- (ii) enlarge the number of ordinary shares in the Company held by the Company's existing shareholders, without increasing the percentage of equity interest held; and
- (iii) potentially enhance the marketability and trading liquidity of the Top Glove Shares on the Main Market of Bursa Securities and Singapore Exchange.

In addition, the implementation of the Proposed Bonus Issue without capitalisation of the Company's reserves is not expected to affect the Company's reserves and the total net assets.

4. EFFECTS OF THE PROPOSED BONUS ISSUE

For illustrative purposes only, the proforma effects of the Proposed Bonus Issue have taken into consideration the following securities as at the LPD:

- (i) 2,694,711,259 Top Glove Shares (including 661,600 Treasury Shares) in issue;
- (ii) 23,527,160 outstanding ESOS Options exercisable into 23,527,160 new Top Glove Shares; and
- (iii) an outstanding USD30,346,000 5-year Guaranteed Exchangeable Bonds 2019/2024 (equivalent to RM123,517,324 based on the settlement rate of USD1.00:RM4.0703) exchangeable into 20,248,742 new Top Glove Shares at the exchange price of RM6.10.

The effects of the Proposed Bonus Issue are shown based on the minimum and maximum scenarios as set out in **Section 2.1** above.

4.1 Issued share capital

The proforma effects of the Proposed Bonus Issue on the Company's issued share capital are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Top Glove Shares ('000)	RM'000	No. of Top Glove Shares ('000)	RM'000
As at the LPD (including Treasury Shares)	2,694,711	1,589,670	2,694,711	1,589,670
New Top Glove Shares to be issued assuming full exercise of the outstanding ESOS Options	-	-	23,527	^(a) 146,427
New Top Glove Shares to be issued assuming full exchange of the outstanding USD30,346,000 5-year Guaranteed Exchangeable Bonds 2019/2024	-	-	20,249	^(b) 123,517
Sub-total	2,694,711	1,589,670	2,738,487	1,859,614
Bonus Shares to be issued	5,389,423	-	5,476,974	-
Enlarged issued share capital after the Proposed Bonus Issue	8,084,134	1,589,670	8,215,461	1,859,614

Notes:

- (a) *Assuming all the outstanding ESOS Options are exercised based on the following exercise prices and the corresponding amount of approximately RM9.6 million in the share option reserve account is reclassified to the share capital account:*

<u>No. of Outstanding ESOS Options</u>	<u>Exercise Price</u>
	RM
3,052,800	5.06
7,112,410	4.90
261,800	4.90
4,031,650	4.63
4,567,200	4.72
4,338,500	9.89
162,800	12.75

- (b) *Assuming all the outstanding USD30,346,000 5-year Guaranteed Exchangeable Bonds 2019/2024 (equivalent to RM123,517,324 based on the settlement rate of USD1.00:RM4.0703) are exchanged into 20,248,742 new Top Glove Shares at the exchange price of RM6.10.*

4.2 Net assets (“NA”), NA per Top Glove Share and gearing

The proforma effects of the Proposed Bonus Issue on the NA, NA per Top Glove Share and gearing of the Group are as follows:

4.2.1 Minimum Scenario

	Audited as at 31 August 2019	(I) After adjustment for completed events ⁽¹⁾	(II) After (I) and Proposed Bonus Issue
	RM'mil	RM'mil	RM'mil
Share capital	788.3	1,589.7	1,589.7
Treasury shares	(1.8)	(1.5)	(1.5)
Other reserves	(1.6)	(1.0)	(1.0)
Retained earnings	1,752.0	1,359.5	1,359.5
NA attributable to the owners of the Company	2,536.9	2,946.7	2,946.7
Perpetual Sukuk	-	1,295.3	1,295.3
Non-controlling interest	17.2	17.2	17.2
NA	2,554.1	4,259.2	4,259.2
Number of Top Glove Shares in issue (including Treasury Shares) (*mil)	2,560.59	2,694.71	8,084.13
NA per Top Glove Share (RM) ⁽²⁾	0.99	1.09	0.36
Total borrowings	2,420.7	⁽³⁾ 1,735.0	1,735.0
Total cash and bank balances	165.8	⁽⁴⁾ 1,430.1	1,430.1
Gearing (times) ⁽⁵⁾	0.95	0.41	0.41
Net Gearing (times) ⁽⁶⁾	0.88	0.07	0.07

Notes:

(1) The completed events after 31 August 2019 are:

- (a) the issuance of 20,918,240 new Top Glove Shares arising from the exercise of 20,918,240 ESOS Options from 1 September 2019 until the LPD;
- (b) the grant of 13,693,600 new ESOS Options from 1 September 2019 until the LPD;
- (c) the grant of 114,000 Top Glove Shares to the eligible employees by way of distribution of 114,000 Treasury Shares from 1 September 2019 until the LPD;

(d) the issuance of 113,203,671 new Top Glove Shares arising from the exchange of USD169,654,000 5-year Guaranteed Exchangeable Bonds 2019/2024 (equivalent to RM690,542,393 based on the settlement rate of USD1.00:RM4.0703) from 1 September 2019 until the LPD; and

(e) the following dividend payments:

<u>Date of Declaration</u>	<u>Type of Dividend</u>	<u>Dividend per Top Glove Share</u>	<u>Payment Date</u>	<u>Total Amount</u>
26 September 2019	Single tier final dividend	4 sen	23 December 2019	RM102.4 million
11 June 2020	Single tier interim dividend	10 sen	9 July 2020	RM269.4 million

(2) Calculated based on the NA attributable to the owners of the Company divided by the total number of Top Glove Shares in issue (excluding 661,600 Treasury Shares).

(3) The reduction in borrowings of approximately RM685.7 million, which includes the reversal of interest provision, foreign exchange gain and the corresponding charges of the professional fees, after taking into consideration the exchange of USD169.7 million 5-year Guaranteed Exchangeable Bonds 2019/2024 into new Top Glove Shares.

(4) The total cash and bank balances has taken into consideration the following:

(i) the cash received from the exercise of 20,918,240 ESOS Options from 1 September 2019 until the LPD;

(ii) the dividend payment of approximately RM102.4 million on 23 December 2019;

(iii) the dividend payment of approximately RM269.4 million on 9 July 2020;

(iv) the amount of RM245 million received in relation to a settlement agreement for a material litigation case;

(v) the interest payment of approximately RM8.5 million for the 5-year Guaranteed Exchangeable Bonds 2019/2024; and

(vi) the amount raised from the Perpetual Sukuk Programme of RM1.3 billion.

On 22 January 2020, Top Glove's 100% ultimate owned subsidiary, TG Excellence Berhad ("TGE") lodged the Perpetual Sukuk Programme with the Securities Commission Malaysia ("SC"). The Perpetual Sukuk Programme, under the Shariah principle of Wakalah Bi-Al Istithmar, is guaranteed by Top Glove via a subordinated guarantee. The Perpetual Sukuk Programme provides TGE with the flexibility to issue unsecured and subordinated perpetual sukuk from time to time, subject to the aggregate outstanding nominal amount not exceeding RM3.0 billion at any point in time.

On 27 February 2020, TGE completed the first issuance with a nominal value of RM1.3 billion under the Perpetual Sukuk Programme. The Perpetual Sukuk was issued with a tenure of perpetual non-callable 5 years with an initial periodic distribution rate of 3.95% per annum.

For information purposes, the total net cash position of the Group as at 30 June 2020, after net of the dividend payment on 9 July 2020, is approximately RM908.8 million.

(5) Calculated based on the total borrowings divided by NA.

(6) Calculated based on the total borrowings less total cash and bank balances divided by NA.

4.2.2 Maximum Scenario

	(I)	(II)	(III)	(IV)	
	Audited as at 31 August 2019	After adjustment for completed events ⁽¹⁾	After (I) and assuming all outstanding ESOS Options are exercised into new Top Glove Shares	After (II) and assuming all outstanding 5- year Guaranteed Exchangeable Bonds 2019/2024 are exchanged into new Top Glove Shares	After (III) and Proposed Bonus Issue
	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil
Share capital	788.3	1,589.7	⁽⁵⁾ 1,736.1	⁽⁶⁾ 1,859.6	1,859.6
Treasury shares	(1.8)	(1.5)	(1.5)	(1.5)	(1.5)
Other reserves	(1.6)	(1.0)	⁽⁵⁾ (10.6)	(12.1)	(12.1)
Retained earnings	1,752.0	1,359.5	1,359.5	1,361.8	1,361.8
NA attributable to the owners of the Company	2,536.9	2,946.7	3,083.5	3,207.8	3,207.8
Perpetual Sukuk	-	1,295.3	1,295.3	1,295.3	1,295.3
Non-controlling interest	17.2	17.2	17.2	17.2	17.2
NA	2,554.1	4,259.2	4,396.0	4,520.3	4,520.3
Number of Top Glove Shares in issue (including Treasury Shares) ('mil)	2,560.59	2,694.71	2,718.24	2,738.49	8,215.46
NA per Top Glove Share (RM) ⁽²⁾	0.99	1.09	1.13	1.17	0.39
Total borrowings	2,420.7	⁽³⁾ 1,735.0	1,735.0	⁽⁶⁾ 1,610.6	1,610.6
Total cash and bank balances	165.8	⁽⁴⁾ 1,430.1	1,566.9	1,566.9	1,566.9
Gearing (times) ⁽⁷⁾	0.95	0.41	0.39	0.36	0.36
Net Gearing (times) ⁽⁸⁾	0.88	0.07	0.04	0.01	0.01

Notes:

(1) *The completed events after 31 August 2019 are:*

- (a) *the issuance of 20,918,240 new Top Glove Shares arising from the exercise of 20,918,240 ESOS Options from 1 September 2019 until the LPD;*
- (b) *the grant of 13,693,600 new ESOS Options from 1 September 2019 until the LPD;*
- (c) *the grant of 114,000 units Top Glove Shares to the eligible employees by way of distribution of 114,000 Treasury Shares from 1 September 2019 until the LPD;*
- (d) *the issuance of 113,203,671 new Top Glove Shares arising from the exchange of USD169,654,000 5-year Guaranteed Exchangeable Bonds 2019/2024 (equivalent to RM690,542,393 based on the settlement rate of USD1.00:RM4.0703) from 1 September 2019 until the LPD; and*
- (e) *The following dividend payments:*

<u>Date of Declaration</u>	<u>Type of Dividend</u>	<u>Dividend per Top Glove Share</u>	<u>Payment Date</u>	<u>Total Amount</u>
26 September 2019	Single tier final dividend	4 sen	23 December 2019	RM102.4 million
11 June 2020	Single tier interim dividend	10 sen	9 July 2020	RM269.4 million

(2) *Calculated based on the NA attributable to the owners of the Company divided by the total number of Top Glove Shares in issue (excluding 661,600 Treasury Shares).*

(3) *The reduction in borrowings of approximately RM685.7 million, which includes the reversal of interest provision, foreign exchange gain and the corresponding charges of the professional fees, after taking into consideration the exchange of USD169.7 million 5-year Guaranteed Exchangeable Bonds 2019/2024 into new Top Glove Shares.*

(4) *The total cash and bank balances has taken into consideration the following:*

- (i) *the cash received from the exercise of 20,918,240 ESOS Options from 1 September 2019 until the LPD;*
- (ii) *the dividend payment of approximately RM102.4 million on 23 December 2019;*
- (iii) *the dividend payment of approximately RM269.4 million on 9 July 2020;*
- (iv) *the amount of RM245 million received in relation to a settlement agreement for a material litigation case;*
- (v) *the interest payment of approximately RM8.5 million for the 5-year Guaranteed Exchangeable Bonds 2019/2024; and*
- (vi) *the proceeds from the Perpetual Sukuk Programme of RM1.3 billion.*

On 22 January 2020, Top Glove's 100% ultimate owned subsidiary, TGE lodged the Perpetual Sukuk Programme with the SC. The Perpetual Sukuk Programme, under the Shariah principle of Wakalah Bi-Al Istithmar, is guaranteed by Top Glove via a subordinated guarantee. The Perpetual Sukuk Programme provides TGE with the flexibility to issue unsecured and subordinated perpetual sukuk from time to time, subject to the aggregate outstanding nominal amount not exceeding RM3.0 billion at any point in time.

On 27 February 2020, TGE completed the first issuance with a nominal value of RM1.3 billion under the Perpetual Sukuk Programme. The Perpetual Sukuk was issued with a tenure of perpetual non-callable 5 years with an initial periodic distribution rate of 3.95% per annum.

For information purposes, the total net cash position of the Group as at 30 June 2020, after net of the dividend payment on 9 July 2020, is approximately RM908.8 million.

- (5) Assuming all outstanding 23,527,160 ESOS Options are exercised into new Top Glove Shares at an average exercise price of RM5.814 per ESOS Option and the corresponding amount of approximately RM9.6 million in the share option reserve account is reclassified to the share capital account.
- (6) Assuming all the outstanding USD30,346,000 5-year Guaranteed Exchangeable Bonds 2019/2024 (equivalent to RM123,517,324 based on the settlement rate of USD1.00:RM4.0703) are exchanged into 20,248,742 new Top Glove Shares at the exchange price of RM6.10. This will result in the reduction in borrowings of approximately RM124.4 million, which include the reversal of interest provision, foreign exchange gain and the corresponding charges of the professional fees arising from such exchange.
- (7) Calculated based on the total borrowings divided by NA.
- (8) Calculated based on the total borrowings less total cash and bank balances divided by NA.

4.3 Substantial shareholders' shareholdings

The proforma effects of the Proposed Bonus Issue on the shareholdings of the substantial shareholders of the Company are as follows:

4.3.1 Minimum Scenario

Substantial Shareholders	As at the LPD				(I) After the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Top Glove Shares (million)	%	No. of Top Glove Shares (million)	%	No. of Top Glove Shares (million)	%	No. of Top Glove Shares (million)	%
Tan Sri Dr Lim Wee Chai	694.09	25.76	⁽¹⁾ 233.13	8.65	2,082.27	25.76	699.39	8.65
Puan Sri Tong Siew Bee	7.43	0.28	⁽²⁾ 919.79	34.13	22.29	0.28	2,759.37	34.13
Lim Hooi Sin	40.41	1.50	⁽³⁾ 886.81	32.91	121.23	1.50	2,660.43	32.91
Lim Jin Feng	⁽⁴⁾	⁽⁴⁾	⁽³⁾ 886.81	32.91	⁽⁵⁾	⁽⁵⁾	2,660.43	32.91
Firstway United Corp	184.49	6.85	-	-	553.47	6.85	-	-

Notes:

- (1) Deemed interested through the direct interests of Puan Sri Tong Siew Bee, Mr Lim Hooi Sin, Mr Lim Jin Feng, Firstway United Corp and Top Fortress Ventures Limited in the Company.
- (2) Deemed interested through the direct interests of Tan Sri Dr Lim Wee Chai, Mr Lim Hooi Sin, Mr Lim Jin Feng, Firstway United Corp and Top Fortress Ventures Limited in the Company.
- (3) Deemed interested through the direct interests of Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee, Firstway United Corp and Top Fortress Ventures Limited in the Company.
- (4) Represents 1,000 units of Top Glove Shares. The percentage shareholding is negligible.
- (5) Represents 3,000 units of Top Glove Shares. The percentage shareholding is negligible.

4.3.2 Maximum Scenario

Substantial Shareholders	As at the LPD				(1) Assuming all outstanding ESOS Options are exercised into new Top Glove Shares			
	Direct		Indirect		Direct		Indirect	
	No. of Top Glove Shares (million)	%	No. of Top Glove Shares (million)	%	No. of Top Glove Shares (million)	%	No. of Top Glove Shares (million)	%
Tan Sri Dr Lim Wee Chai	694.09	25.76	⁽¹⁾ 233.13	8.65	694.09	25.53	⁽¹⁾ 233.57	8.59
Puan Sri Tong Siew Bee	7.43	0.28	⁽²⁾ 919.79	34.13	7.55	0.28	⁽²⁾ 920.10	33.85
Lim Hooi Sin	40.41	1.50	⁽³⁾ 886.81	32.91	40.55	1.49	⁽³⁾ 886.93	32.63
Lim Jin Feng	⁽⁴⁾	⁽⁵⁾	⁽³⁾ 886.81	32.91	0.17	⁽⁵⁾	⁽³⁾ 886.93	32.63
Firstway United Corp	184.49	6.85	-	-	184.49	6.79	-	-

	(II)				(III)			
	After (I) and assuming all outstanding 5-year Guaranteed Exchangeable Bonds 2019/2024 are exchanged into new Top Glove Shares				After (II) and after the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	No. of Top Glove Shares (million)	%	No. of Top Glove Shares (million)	%	No. of Top Glove Shares (million)	%	No. of Top Glove Shares (million)	%
Tan Sri Dr Lim Wee Chai	694.09	25.35	⁽¹⁾ 233.57	8.53	2,082.27	25.35	⁽¹⁾ 700.71	8.53
Puan Sri Tong Siew Bee	7.55	0.28	⁽²⁾ 920.10	33.60	22.65	0.28	⁽²⁾ 2,760.30	33.60
Lim Hooi Sin	40.55	1.48	⁽³⁾ 886.93	32.39	121.65	1.48	⁽³⁾ 2,660.79	32.39
Lim Jin Feng	0.17	⁽⁵⁾	⁽³⁾ 886.93	32.39	0.51	⁽⁵⁾	⁽³⁾ 2,660.79	32.39
Firstway United Corp	184.49	6.74	-	-	553.47	6.74	-	-

Notes:

- (1) Deemed interested through the direct interests of Puan Sri Tong Siew Bee, Mr Lim Hooi Sin, Mr Lim Jin Feng, Firstway United Corp and Top Fortress Ventures Limited in the Company.
- (2) Deemed interested through the direct interests of Tan Sri Dr Lim Wee Chai, Mr Lim Hooi Sin, Mr Lim Jin Feng, Firstway United Corp and Top Fortress Ventures Limited in the Company.
- (3) Deemed interested through the direct interests of Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee, Firstway United Corp and Top Fortress Ventures Limited in the Company.
- (4) Represents 1,000 units of Top Glove Shares.
- (5) The percentage shareholding is negligible.

4.4 Earnings and Earnings per Top Glove Share (“EPS”)

The Proposed Bonus Issue is not expected to have any material effect on the earnings of the Group for the financial year ending 31 August 2020. However, the Group’s EPS will be proportionately diluted as a result of the increase in the number of Top Glove Shares in issue upon the completion of the Proposed Bonus Issue.

4.5 Convertible securities

As at the LPD, save for the outstanding ESOS Options and the 5-year Guaranteed Exchangeable Bonds 2019/2024, the Company does not have any other convertible securities.

The Proposed Bonus Issue will give rise to adjustments to the exercise price and/or the number of ESOS Options as at the Entitlement Date in accordance to the By-Laws governing the ESOS Options. Any such adjustments will only be finalised on the Entitlement Date and will be effective on the next market day after the Entitlement Date. In addition, the Proposed Bonus Issue will also give rise to the adjustments to the exchange price for the 5-year Guaranteed Exchangeable Bonds 2019/2024 in accordance with the trust deed.

5. APPROVALS REQUIRED

The Proposed Bonus Issue is subject to the following approvals being obtained:

- (i) Bursa Securities, for the listing and quotation for the Bonus Shares on the Main Market of Bursa Securities;
- (ii) the shareholders of the Company at an Extraordinary General Meeting to be convened; and
- (iii) any other relevant authorities, if required.

The Proposed Bonus Issue is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and major shareholders of the Company and/or persons connected to them has any interest, whether direct or indirect, in the Proposed Bonus Issue other than their respective entitlements as shareholders of the Company.

7. DIRECTORS’ STATEMENT

The Board, having considered all aspects of the Proposed Bonus Issue, including the rationale as set out in **Section 3** of this announcement, is of the opinion that the Proposed Bonus Issue is in the best interest of the Company.

8. PRINCIPAL ADVISER

Hong Leong Investment Bank Berhad has been appointed as the Principal Adviser to the Company for the Proposed Bonus Issue.

9. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the required approvals being obtained, the Board expect the Proposed Bonus Issue to be completed by third quarter of calendar year 2020.

10. APPLICATION TO THE AUTHORITIES

The application to the relevant authorities in relation to the Proposed Bonus Issue is expected to be made within 1 month from the date of this announcement.

This announcement is dated 20 July 2020.