

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

TOP GLOVE CORPORATION BHD

Financial Year End	31 Aug 2024
Quarter	3 Qtr
Quarterly report for the financial period ended	31 May 2024
The figures	have not been audited

Attachments

[TopGlove_3QFY2024_Financial_Results.pdf](#)

379.4 kB

[TopGlove_3QFY2024_Press_Release.pdf](#)

133.2 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 May 2024

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 May 2024	31 May 2023	31 May 2024	31 May 2023
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	636,877	530,620	1,680,670	1,781,157
2 Profit/(loss) before tax	58,554	-138,532	-37,368	-436,103
3 Profit/(loss) for the period	61,727	-120,353	-25,578	-432,946
4 Profit/(loss) attributable to ordinary equity holders of the parent	50,670	-130,589	-58,238	-463,493
5 Basic earnings/(loss) per share (Subunit)	0.63	-1.63	-0.73	-5.79
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	0.5800		0.5900	

Definition of Subunit:

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

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

Announcement Info

Company Name	TOP GLOVE CORPORATION BHD
Stock Name	TOPGLOV
Date Announced	19 Jun 2024
Category	Financial Results
Reference Number	FRA-20032024-00004



TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

The World's Largest Manufacturer of Gloves

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THIRD QUARTER ENDED 31 MAY 2024

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31 May 2024	31 May 2023	31 May 2024	31 May 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	636,877	530,620	1,680,670	1,781,157
Operating expenses	(671,178)	(651,427)	(1,833,236)	(2,189,998)
Loss from operations	(34,301)	(120,807)	(152,566)	(408,841)
Other operating income/(expenses)	89,471	(15,599)	115,231	(28,675)
Share of results of an associate	2,558	(2,737)	634	(3,139)
Profit/(Loss) before interest and tax	57,728	(139,143)	(36,701)	(440,655)
Interest income	2,646	4,437	7,670	13,099
Finance costs	(1,820)	(3,826)	(8,337)	(8,547)
Profit/(Loss) before tax	58,554	(138,532)	(37,368)	(436,103)
Income tax credit	3,173	18,179	11,790	3,157
Profit/(Loss) net of tax	61,727	(120,353)	(25,578)	(432,946)
Profit/(Loss) attributable to:				
Owners of the parent	50,670	(130,589)	(58,238)	(463,493)
Holder of Perpetual Sukuk	11,748	11,749	34,989	34,862
Non controlling interests	(691)	(1,513)	(2,329)	(4,315)
	61,727	(120,353)	(25,578)	(432,946)
Earnings/(Loss) per share attributable to owners of the parent, sen:				
Basic	0.63	(1.63)	(0.73)	(5.79)
Diluted	0.63	(1.63)	(0.73)	(5.79)

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

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MAY 2024**

	Current	Corresponding	Current	Corresponding
	Quarter Ended	Quarter Ended	Year To Date	Year To Date
	31 May 2024	31 May 2023	31 May 2024	31 May 2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) net of tax	61,727	(120,353)	(25,578)	(432,946)
Other comprehensive (loss)/income: <i>Items that may be reclassified subsequently to profit or loss:</i>				
Net movement on debt securities at fair value through other comprehensive (loss)/income	(1,343)	(767)	1,602	(2,818)
Foreign currency translation differences of foreign operations	(27,483)	32,740	(19,856)	58,098
Other comprehensive (loss)/income, net of tax	(28,826)	31,973	(18,254)	55,280
Total comprehensive income/(loss)	32,901	(88,380)	(43,832)	(377,666)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	22,477	(99,556)	(75,962)	(410,077)
Holders of Perpetual Sukuk	11,748	11,749	34,989	34,862
Non controlling interests	(1,324)	(573)	(2,859)	(2,451)
	32,901	(88,380)	(43,832)	(377,666)

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

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

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

	Unaudited as at 31 May 2024 RM'000	Audited as at 31 Aug 2023 RM'000
ASSETS		
Non current assets		
Property, plant and equipment	3,644,270	3,893,084
Right-of-use assets	179,408	187,096
Investment properties	419,699	419,699
Investment in an associate	4,214	3,579
Deferred tax assets	10,360	4,583
Biological assets	692	647
Investment securities: Unquoted investments	392	392
Intangible assets	862,069	864,465
	5,121,104	5,373,545
Current assets		
Inventories	351,233	301,496
Trade and other receivables	226,240	182,622
Other current assets	92,387	85,255
Assets held for sale	167,069	159,984
Tax recoverable	7,534	10,202
Investment securities: Debt securities	32,016	32,864
Investment securities: Money market funds	559,449	630,186
Cash and bank balances	367,199	285,416
	1,803,127	1,688,025
Total assets	6,924,231	7,061,570
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	352,180	265,261
Contract liabilities	93,917	102,995
Loans and borrowings	442,838	540,356
Lease liabilities	2,239	1,710
Income tax payable	6,923	13,038
Derivative financial instruments	0	507
	898,097	923,867
Net current assets	905,030	764,158
Non current liabilities		
Loans and borrowings	0	14,149
Lease liabilities	24,331	25,630
Deferred tax liabilities	142,116	160,119
Provisions	9,970	11,690
	176,417	211,588
Total liabilities	1,074,514	1,135,455
Net assets	5,849,717	5,926,115
Equity attributable to owners of the parent		
Share capital	1,844,962	1,843,271
Treasury shares	(1,412,270)	(1,412,270)
Retained earnings	4,085,522	4,134,229
Other reserves	122,781	149,304
	4,640,995	4,714,534
Perpetual Sukuk	1,175,694	1,175,694
Non controlling interests	33,028	35,887
Total equity	5,849,717	5,926,115
Total equity and liabilities	6,924,231	7,061,570
Net assets per share attributable to ordinary equity holders of the parent, RM	0.58	0.59

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MAY 2024**

	Attributable to owners of the parent												Non controlling interests RM'000
	Total equity RM'000	Total equity attributable to owners of the parent RM'000	Share capital RM'000	Treasury shares RM'000	Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Other reserve RM'000	Fair value adjustment reserve RM'000	Retained earnings RM'000	Perpetual Sukuk RM'000	
9 months ended 31 May 2024													
Opening balance at 1 September 2023	5,926,115	4,714,534	1,843,271	(1,412,270)	62,081	27,569	51,862	8,785	13,343	(14,336)	4,134,229	1,175,694	35,887
(Loss)/Profit net of tax	(25,578)	(58,238)	0	0	0	0	0	0	0	0	(58,238)	34,989	(2,329)
Other comprehensive (loss)/income	(18,254)	(17,724)	0	0	(19,326)	0	0	0	0	1,602	0	0	(530)
Total comprehensive (loss)/income	(43,832)	(75,962)	0	0	(19,326)	0	0	0	0	1,602	(58,238)	34,989	(2,859)
Transactions with owners													
Issuance of ordinary shares pursuant to ESOS	1,224	1,224	1,224	0	0	0	0	0	0	0	0	0	0
Share options granted under ESOS	1,199	1,199	0	0	0	0	1,199	0	0	0	0	0	0
Transfer from share option reserve	0	0	467	0	0	0	(10,133)	0	0	0	9,666	0	0
Transfer from retained earnings	0	0	0	0	0	0	0	0	135	0	(135)	0	0
Distribution to holders of Perpetual Sukuk	(34,989)	0	0	0	0	0	0	0	0	0	0	(34,989)	0
Total transactions with owners	(32,566)	2,423	1,691	0	0	0	(8,934)	0	135	0	9,531	(34,989)	0
Closing balance at 31 May 2024	5,849,717	4,640,995	1,844,962	(1,412,270)	42,755	27,569	42,928	8,785	13,478	(12,734)	4,085,522	1,175,694	33,028
9 months ended 31 May 2023													
Opening balance at 1 September 2022	6,793,235	5,579,222	1,842,189	(1,412,270)	10,830	27,569	66,007	0	14,284	(11,057)	5,041,670	1,175,694	38,319
(Loss)/Profit net of tax	(432,946)	(463,493)	0	0	0	0	0	0	0	0	(463,493)	34,862	(4,315)
Other comprehensive income/(loss)	55,280	53,416	0	0	56,234	0	0	0	0	(2,818)	0	0	1,864
Total comprehensive (loss)/income	(377,666)	(410,077)	0	0	56,234	0	0	0	0	(2,818)	(463,493)	34,862	(2,451)
Transactions with owners													
Issuance of ordinary shares pursuant to ESOS	643	643	643	0	0	0	0	0	0	0	0	0	0
Share options granted under ESOS	392	392	0	0	0	0	392	0	0	0	0	0	0
Transfer from share option reserve	0	0	0	0	0	0	(13,656)	0	0	0	13,656	0	0
Transfer to Employee Share Grant Plan	0	0	211	0	0	0	(211)	0	0	0	0	0	0
Changes in ownership interest in a subsidiary	3,046	342	0	0	0	0	0	0	0	0	342	0	2,704
Transfer from retained earnings	0	0	0	0	0	0	0	0	404	0	(404)	0	0
Distribution to holders of Perpetual Sukuk	(34,862)	0	0	0	0	0	0	0	0	0	0	(34,862)	0
Total transactions with owners	(30,781)	1,377	854	0	0	0	(13,475)	0	404	0	13,594	(34,862)	2,704
Closing balance at 31 May 2023	6,384,788	5,170,522	1,843,043	(1,412,270)	67,064	27,569	52,532	0	14,688	(13,875)	4,591,771	1,175,694	38,572

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2023.

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 MAY 2024**

	Current Year To Date Ended 31 May 2024 RM'000	Corresponding Year To Date Ended 31 May 2023 RM'000
Operating activities		
Loss before tax	(37,368)	(436,103)
Depreciation and amortisation	216,796	265,311
Other adjustments	(122,294)	33,908
Operating cash flows before changes in working capital	57,134	(136,884)
Changes in working capital		
Net changes in current assets	(61,222)	271,990
Net changes in current liabilities	78,430	(272,059)
Cash flows generated from/(used in) operating activities	74,342	(136,953)
Interest paid	(8,337)	(8,547)
Income taxes (paid)/refunded	(14,747)	200,713
Net cash flows generated from operating activities	51,258	55,213
Investing activities		
Withdrawal/(Placement) of money market funds	83,122	(87,570)
Disposal/(Purchase) of debt securities	2,981	(2,125)
Purchase of property, plant and equipment	(77,131)	(236,100)
Proceeds from disposal of property, plant and equipment	147,042	2,290
Proceeds from part disposal of equity interest in a subsidiary company	0	3,046
Interest received	7,670	13,099
Net cash flows generated from/(used in) investing activities	163,684	(307,360)
Financing activities		
Proceeds from issuance of ordinary shares pursuant to ESOS	1,224	643
Payment of principal portion of lease liabilities	(1,534)	(1,998)
Distribution paid to Perpetual Sukuk holders	(23,241)	(23,113)
(Repayment)/Drawdown of loans and borrowings	(89,992)	220,907
Net cash flows (used in)/generated from financing activities	(113,543)	196,439
Net increase/(decrease) in cash and cash equivalents	101,399	(55,708)
Effects of changes in foreign exchange rate	(19,616)	9,039
Cash and cash equivalents at 1 September 2023/2022	285,416	437,597
Cash and cash equivalents at 31 May 2024/2023	367,199	390,928

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2024****1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2023.

The audited financial statements of the Group for the year ended 31 August 2023 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”). The significant accounting policies and method of computations adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 August 2023 except for the adoption of the following amendments to MFRSs:

Description

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 17: Initial Application MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

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

2. Auditors' report

The audited financial statements for the financial year ended 31 August 2023 was not subject to any qualification.

3. Seasonal or cyclical factors

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

4. Extraordinary and exceptional items

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 31 May 2024.

5. Changes in estimates of amounts reported previously

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

TOP GLOVE CORPORATION BHD.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2024 (CONTINUED)

6. Changes in debts and equity securities

During the financial period ended 31 May 2024:

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

	No. of shares	RM'000
As at 31 August 2023	8,207,924,834	1,843,271
Ordinary shares issued pursuant to the ESOS	1,329,000	1,691
As at 31 May 2024	8,209,253,834	1,844,962

- b) As at the end of the financial period to date under review, of the total 8,209,253,834 issued and fully paid ordinary shares, 199,764,300 ordinary shares are held as treasury shares by the Company.

Other than the above, there were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in the financial period ended 31 May 2024.

7. Dividends paid

Record of dividends paid:

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

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

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

TOP GLOVE CORPORATION BHD.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2024 (CONTINUED)

8. Segmental reporting

a. Primary reporting segment – Geographical segments.

The Group operates in three principal geographical areas of the world and is primarily involved in the gloves manufacturing industry.

The directors are of the opinion that all intersegment transactions have been entered into in the normal course of business and have been established on negotiated and mutually agreed terms.

9 months ended 31 May 2024

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>						
External sales	1,491,281	90,402	7,880	91,107	0	1,680,670
Intersegment sales	73,785	217,369	0	356	(291,510)	0
Total revenue	<u>1,565,066</u>	<u>307,771</u>	<u>7,880</u>	<u>91,463</u>	<u>(291,510)</u>	<u>1,680,670</u>
<u>Result</u>						
Segment loss	(17,219)	(6,027)	(1,415)	(5,004)	0	(29,665)
Finance cost	(6,401)	(450)	0	(1,486)	0	(8,337)
Share of results of an associate	634	0	0	0	0	634
Loss before tax						<u>(37,368)</u>
<u>Assets</u>						
Segment assets	5,006,696	644,646	61,789	326,923	884,177	6,924,231
Intangible assets	862,069	0	0	0	0	<u>862,069</u>
<u>Liabilities</u>						
Segment liabilities	803,810	51,553	16,373	53,739	149,039	<u>1,074,514</u>

b. Secondary reporting segment – Business segments

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

9. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

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.

11. Changes in the composition of the Group

During the quarter under review, a wholly owned subsidiary TG Medical (Suzhou) Co. Ltd. has been deregistered and ceased to be a subsidiary of the Group.

Other than the above mentioned, there is no other significant changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long-term investment, restructuring and discontinuing operations.

TOP GLOVE CORPORATION BHD.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2024 (CONTINUED)

12. Contingent liabilities

A nominal amount of RM443 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 Group had approved and contracted for capital expenditure amounting approximately to RM252 million.

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 2024 ("3QFY2024") and the year to date 31 May 2024 ("9MFY2024") with the corresponding period last financial year is as follows:

	3QFY2024	3QFY2023	Variance	9MFY2024	9MFY2023	Variance
	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Revenue	637	531	20	1,681	1,781	(6)
Operating loss	(34)	(121)	72	(153)	(409)	63
EBITDA	130	(50)	360	180	(175)	203
Profit/(Loss) before interest and tax	58	(139)	142	(37)	(441)	92
Profit/(Loss) before tax	59	(139)	142	(37)	(436)	92
Profit/(Loss) after tax	62	(120)	152	(26)	(433)	94
Profit/(Loss) attributable to owners of the parent	51	(131)	139	(58)	(463)	87

For 3QFY2024, the Group recorded Sales Revenue of RM637 million, marking a 20% increase compared to 3QFY2023, while the Profit After Tax rose substantially by 152% year on year to RM62 million. Sales Volume also increased by 32% compared to the corresponding quarter in FY2023. On a 9 months basis, for 9MFY2024, the Group posted Sales Revenue of RM1.68 billion, marginally lower compared with 9MFY2023, while recording a significantly narrower Loss After Tax of RM26 million, a 94% improvement versus 9MFY2023.

The Group's more robust performance was driven primarily by stronger glove demand as customers replenished their glove inventories having cleared excess stocks. The resultant higher utilisation coupled with ongoing quality and cost optimisation measures also positively impacted the bottom line. Although raw material costs escalated in 3QFY2024, the Group successfully reduced its cost of production through multiple improvement initiatives. Moreover, with growing glove demand, the Group was able to share out some of the cost increases with customers through upward revisions in average selling prices (ASPs). In addition, the sale of excess land served to strengthen the Group's profit and cash flow position, in line with a key objective of the Top Glove Turnaround Plan (T6).

TOP GLOVE CORPORATION BHD.

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

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

RM'mil	Financial year ended 31 August															
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	9MFY2024 (unaudited)
Revenue	1,529	2,079	2,054	2,315	2,313	2,275	2,511	2,889	3,409	4,221	4,801	7,237	16,361	5,572	2,257	1,681
EBITDA	288	365	197	298	311	302	442	525	489	694	687	2,421	10,285	687	(156)	180
EBITDA margin	19%	18%	10%	13%	13%	13%	18%	18%	14%	16%	14%	33%	63%	12%	(7%)	11%
P/(L)BT	222	305	145	241	242	216	363	442	393	523	424	2,166	10,034	358	(900)	(37)
P/(L)BT margin	15%	15%	7%	10%	11%	10%	15%	15%	12%	12%	9%	30%	61%	6%	(40%)	(2%)
Taxation	(54)	(55)	(30)	(34)	(39)	(32)	(82)	(80)	(54)	(90)	(56)	(377)	(2,210)	(76)	15	11
P/(L)AT	168	250	115	207	203	184	281	362	339	433	368	1,789	7,824	282	(886)	(26)
P/(L)AT margin	11%	12%	6%	9%	9%	8%	11%	13%	10%	10%	8%	25%	48%	5%	(39%)	(2%)

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 May 2024 (CONTINUED)

15. Comparison of quarterly financial results with preceding quarter

	3QFY2024 RM'mil	2QFY2024 RM'mil	Variance %
Revenue	637	550	16
Loss from operations	(34)	(59)	42
EBITDA	130	29	348
Profit/(Loss) before interest and tax	58	(43)	235
Profit/(Loss) before tax	59	(43)	237
Profit/(Loss) after tax	62	(40)	255
Profit/(Loss) attributable to owners of the parent	51	(51)	200

For 3QFY2024, the Group registered Sales Revenue of RM637 million, an increase of 16% quarter on quarter. Its operational losses reduced to RM34 million in 3QFY2024 from a loss of RM59 million in 2QFY2024, representing a 42% improvement. Meanwhile, Sales Volume which had been growing since 4QFY2023 also continued its upward trend, rising 13% versus 2QFY2024, reflecting the Group's steady recovery. The Group also achieved a Profit After Tax of RM62 million, up 255% compared with the preceding quarter. The Group's enhanced performance was driven by increasing glove demand and ongoing initiatives focused on quality and cost optimisation measures, as well as gains from the disposal of excess land.

Raw material prices for 3QFY2024 were on an uptrend quarter on quarter, with the average natural latex concentrate price up by 20% to RM6.77/kg, while the average nitrile latex price rose 16% to USD0.89/kg.

16. Commentary on prospects and targets

Supported by consistent improvements in its performance from quarter to quarter, Top Glove remains optimistic about industry prospects. As the industry recovers, the Group foresees the upward momentum will accelerate for Malaysian glove manufacturers with the high number of cases of foreign manufacturers' gloves being included on the U.S. Food and Drug Administration (FDA)'s import alert list. Top Glove also anticipates amplified business opportunities in the U.S. market following the U.S. government's impending imposition of steeply increased tariffs on medical gloves from China, making it unfeasible for Chinese glove manufacturers to continue exporting to the U.S. Customers from U.S. are expected to start moving away from outsourcing orders to China ahead of year 2026 when tariffs take effect, and Top Glove as a major glove exporter to the U.S. is optimally positioned to capture more market share from the potential trade diversion.

Top Glove garnered a highly commendable score in its ESG Risk Rating by Sustainalytics, ranking number 1 out of 643 companies in the Healthcare industry, number 1 out of 58 companies in the Medical sub industry and number 91 out of 16,215 companies across all industries, on a global scale as at 19 June 2024. Headquartered in Amsterdam, Sustainalytics is a leading independent environmental, social and corporate governance (ESG) research, ratings and analytics firm which rates the sustainability of listed companies based on their ESG performance.

Moreover, Top Glove remains committed to ensuring it fully meets the new obligations under the European Union Deforestation Regulation (EUDR), which come into effect on 30 December 2024. The Group's compliance journey is on track and progressing well, with the first batch of EUDR compatible natural rubber gloves targeted to ship by July 2024.

Towards a more sustained recovery for both the glove industry and Malaysian economy, the Group also hopes for more clarity and consistency with regard to the implementation of foreign worker policy, which will enable corporates to better plan worker intake in line with manpower requirements.

17. Variance of actual profits from forecast profits

Not applicable as no profit forecast was issued.

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2024 (CONTINUED)****18. Income tax (credit)/expense**

	Quarter Ended		Year To Date Ended	
	31 May 2024 RM'000	31 May 2023 RM'000	31 May 2024 RM'000	31 May 2023 RM'000
Income tax				
Current quarter/year	2,165	337	4,440	23,988
Under/(Over) provision in respect of prior year	2,388	41	434	(3,637)
Deferred tax	(12,932)	(18,557)	(24,157)	(23,530)
Real property gain tax	5,206	0	7,493	22
	<u>(3,173)</u>	<u>(18,179)</u>	<u>(11,790)</u>	<u>(3,157)</u>

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

19. Profit/(loss) on sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties during the current quarter and financial year to date.

20. Purchase and disposal of investment securities

	Quarter Ended	Year To Date Ended
	31 May 2024 RM'000	31 May 2024 RM'000
Investment in money market funds	7,130	71,209
Withdrawal of money market funds	103,051	154,331
Disposal in debt securities	2,791	2,981

Other than the above, there was no other purchase or disposal of quoted securities by the Group for the current quarter and financial year to date.

21. Status of corporate proposals announced

There were no corporate proposals announced which remain uncompleted during the quarter under review as at the date of this report.

22. Derivative financial instruments

During the year to date ended 31 May 2024, the Group recognised a gain of RM507,000 arising from changes in the fair value of forward currency contracts. There were no forward contracts held by the Group as at 31 May 2024.

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2024 (CONTINUED)****23. Fair value hierarchy**

The Group uses the following hierarchy in determining the fair value of all financial instruments carried at fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs that are based on observable market data, either directly or indirectly

Level 3 – Inputs that are not based on observable market data

As at 31 May 2024, the Group held the following financial assets that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets/(liabilities) measured at fair value:				
Financial assets at fair value through profit or loss				
• Unquoted investments	0	0	392	392
• Money market funds (quoted in Malaysia)	559,449	0	0	559,449
Financial assets at fair value through other comprehensive income				
• Debt securities (quoted outside Malaysia)	32,016	0	0	32,016

24. Group loans and borrowings

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

	As at 31 May 2024 RM'000	As at 31 May 2023 RM'000
Current		
Unsecured		
Bank borrowings	442,838	521,976
Term loan	0	91,568
Total current borrowings	442,838	613,544
Non-current		
Unsecured		
Term loan	0	23,913
Total non-current borrowings	0	23,913

Summary of all loans and borrowings:

	Foreign Currency Denominated '000	As at 31 May 2024 RM'000	Foreign Currency Denominated '000	As at 31 May 2023 RM'000
USD	0	0	USD	13,846
EUR	4,820	24,598	EUR	46,121
JPY	13,946,160	418,240	JPY	10,460,770
Total loans and borrowings		442,838		637,457

Exchange rate RM to USD1	4.7040	4.6165
Exchange rate RM to EUR1	5.0893	4.9387
Exchange rate RM to JPY1	0.0300	0.0330

TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2024 (CONTINUED)****25. Material litigation**

The Company and its subsidiaries are not engaged in any material litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiaries, and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Company or subsidiaries.

26. Dividends

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

27. Notes to the Statement of Comprehensive Income

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

	Quarter Ended 31 May 2024 RM'000	Year to date Ended 31 May 2024 RM'000
Interest income	2,646	7,670
Interest expense	(1,820)	(8,337)
Reversal for inventories written down	24,755	33,848
Depreciation and amortisation	(72,383)	(216,796)
Other operating income/(expenses):		
Gain on disposal of property, plant and equipment	54,343	57,386
Unrealised foreign exchange gain	22,332	24,839
Realised foreign exchange gain/(loss)	1,367	(4,215)
Rental income	4,782	12,484
Fair value gain on investment securities	2,140	8,200
Gain on disposal of money market fund	1,968	4,192
Net fair value gain on derivatives	311	507
Insurance claims	1	7,526
Property, plant and equipment written off	(1,672)	(5,447)
Other income	3,899	9,759
	<u>89,471</u>	<u>115,231</u>

28. Earnings/(Loss) per share

	Quarter Ended		Year To Date Ended	
	31 May 2024	31 May 2023	31 May 2024	31 May 2023
Profit/(Loss) net of tax attributable to owners of the parent (RM'000)	<u>50,670</u>	<u>(130,589)</u>	<u>(58,238)</u>	<u>(463,493)</u>
Basic				
Weighted average number of ordinary shares in issue ('000)	<u>8,008,406</u>	<u>8,008,560</u>	<u>8,008,348</u>	<u>8,008,462</u>
Basic earnings/(loss) per share (sen)	<u>0.63</u>	<u>(1.63)</u>	<u>(0.73)</u>	<u>(5.79)</u>
Diluted				
Weighted average number of ordinary shares in issue ('000)	8,008,406	8,008,560	8,008,348	8,008,462
Effect of dilution from:				
Share options ('000)	<u>20,047</u>	<u>175</u>	<u>0</u>	<u>0</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>8,028,453</u>	<u>8,008,735</u>	<u>8,008,348</u>	<u>8,008,462</u>
Diluted earnings/(loss) per share (sen)	<u>0.63</u>	<u>(1.63)</u>	<u>(0.73)</u>	<u>(5.79)</u>

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PRESS RELEASE

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

For Immediate Release

TOP GLOVE DELIVERS SIGNIFICANTLY IMPROVED 3QFY2024 PERFORMANCE

3QFY2024 Profit After Tax jumps 255% to RM62 million

Shah Alam, Wednesday, 19 June 2024 Top Glove Corporation Bhd or “Top Glove” today announced its financial results for the Third Quarter ended 31 May 2024 (3QFY2024), emerging from a protracted period of industry wide glove demand/supply imbalance, to deliver a substantially stronger performance as it moves closer to breakeven.

For 3QFY2024, the Group registered Sales Revenue of RM637 million, an increase of 16% quarter on quarter and 20% year on year. Its operational losses reduced to RM34 million in 3QFY2024 from a loss of RM59 million in 2QFY2024, representing a 42% improvement. Meanwhile, Sales Volume which had been growing since 4QFY2023 continued its upward trend, rising 13% versus 2QFY2024, reflecting the Group’s steady recovery. The Group also achieved a Profit After Tax of RM62 million, up 255% compared with the preceding quarter and 152% higher than the corresponding quarter in FY2023. The improved profitability factors in gains from the disposal of excess land.

On a 9 months basis, for 9MFY2024, the Group posted Sales Revenue of RM1.68 billion, marginally lower compared with 9MFY2023; while recording a significantly narrower Loss After Tax of RM26 million, a 94% improvement versus 9MFY2023.

Raw material prices for 3QFY2024 were on an uptrend quarter on quarter, with the average natural latex concentrate price up by 20% to RM6.77/kg, while the average nitrile latex price rose 16% to USD0.89/kg.

The Group’s more robust performance was driven primarily by stronger glove demand as customers replenished their glove inventories having cleared excess stocks. The resultant higher utilisation coupled with ongoing quality and cost optimisation measures also positively impacted the bottom line. Although raw material costs escalated in 3QFY2024, the Group successfully reduced its cost of production through multiple improvement initiatives. Moreover, with growing glove demand, the Group was able to share out some of the cost increases with customers through upward revisions in

average selling prices (ASPs). In addition, the sale of excess land served to strengthen the Group's profit and cash flow position, in line with a key objective of the Top Glove Turnaround Plan (T6).

Mr Lim Cheong Guan, Managing Director of Top Glove remarked, "We are pleased to have seen a return to black this quarter as the glove industry turns a corner. This is largely attributed to improving glove demand as customers' orders resume, alongside intensive efforts to level up our quality and cost efficiency, as well as gains from the sale of excess land. We remain deeply appreciative of our colleagues whose good efforts and commitment have been instrumental in accelerating our recovery."

Reflecting its enduring commitment to sustainability, Top Glove garnered a highly commendable score in its ESG Risk Rating by Sustainalytics, ranking number 1 out of 643 companies in the Healthcare industry, number 1 out of 58 companies in the Medical sub industry and number 91 out of 16,215 companies across all industries, on a global scale as at 19 June 2024. Headquartered in Amsterdam, Sustainalytics is a leading independent environmental, social and corporate governance (ESG) research, ratings and analytics firm which rates the sustainability of listed companies based on their ESG performance.

Moreover, Top Glove remains committed to ensuring it fully meets the new obligations under the European Union Deforestation Regulation (EUDR), which come into effect on 30 December 2024. The Group's compliance journey is on track and progressing well, with the first batch of EUDR compatible natural rubber gloves targeted to ship by July 2024.

Additionally, Top Glove was honoured with the Platinum Trusted Brand Award in the Hygiene/Disposable Gloves category at the consumer vote-based Reader's Digest Malaysian Trusted Brand 2024 awards, for the second consecutive year. The Company outperformed its competitors significantly by 25% in terms of total votes, achieving the highest average score across 6 key attributes: trustworthiness and credibility, quality, value, understanding of customer needs, innovation, and social responsibility.

As of 18 June 2024, Top Glove was also included in Fortune magazine's prestigious inaugural Southeast Asia 500 list, which ranks the largest companies in the region by their FY2023 revenue.

Towards a more sustained recovery for both the glove industry and Malaysian economy, the Group also hopes for more clarity and consistency with regard to the implementation of foreign worker policy, which will enable corporates to better plan worker intake in line with manpower requirements.

Poised for a Comeback: Brighter Days Ahead

Supported by consistent improvements in its performance from quarter to quarter, Top Glove remains optimistic about industry prospects. As the industry recovers, the Group foresees the upward momentum will accelerate for Malaysian glove manufacturers with the high number of foreign

manufacturers' gloves being included on the U.S. Food and Drug Administration (FDA)'s import alert list. Top Glove also anticipates amplified business opportunities in the U.S. market following the U.S. government's impending imposition of steeply increased tariffs on medical gloves from China, making it unfeasible for Chinese glove manufacturers to continue exporting to the U.S. Customers from the U.S. are expected to start moving away from outsourcing orders to China ahead of year 2026 when tariffs take effect, and Top Glove as a major glove exporter to the U.S. is optimally positioned to capture more market share from the potential trade diversion.

Mr Lim said, "Top Glove has successfully navigated a highly challenging business environment to deliver considerably diminished operational losses in 3QFY2024. Our efforts resulted in a stronger foundation and more refined operational strategies. We have emerged stronger, leaner and more efficient; and are well placed to reclaim our market share and regain our leadership position."

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About Top Glove Corporation Bhd

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

Summary of key information:

	As at 19 June 2024
Number of Factories	48 factories (41 in Malaysia, 5 in Thailand, 1 in China and 1 in Vietnam) comprising: <ul style="list-style-type: none"> • 37 glove factories • 2 latex concentrate plants • 3 chemical factories • 1 gamma sterilisation factory • 1 glove former factory • 2 packaging material factories • 1 dental dam factory • 1 face mask factory
Number of Marketing Offices	7 (Malaysia, USA, Germany, Brazil, China, Thailand)

	and Vietnam)
Number of Glove Production Lines	788
Glove Production Capacity	95 billion pieces per annum
Number of Employees	11,000