



**TOP GLOVE CORPORATION BHD.**

(Company No. 474423-X)

The World's Largest Manufacturer of Gloves

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

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

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

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 AUGUST 2018**

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

**TOP GLOVE CORPORATION BHD**

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

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

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

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

**1. Basis of preparation**

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

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2017. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2017.

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

**2. Auditors' report**

The audited financial statements for the financial year ended 31 August 2017 was not subject to any qualification.

**3. Seasonal or cyclical factors**

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

**4. Extraordinary and exceptional items**

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 31 August 2018.

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

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

## TOP GLOVE CORPORATION BHD.

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

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

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

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

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

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

#### 7. Dividends paid

The Board of Directors of Top Glove has adopted a Dividend Policy to declare and pay annual dividends of 50% of its profit after tax and minority interest in respect of future financial years.

Record of dividends paid:

| Financial Year | Net Dividend per share (sen)* | Total Dividend Paid (RM'000) |
|----------------|-------------------------------|------------------------------|
| 2018           | 7.00 (interim)                | 89,454                       |
| 2017           | 14.50                         | 181,936                      |
| 2016           | 14.50                         | 181,655                      |
| 2015           | 11.50                         | 143,143                      |
| 2014           | 8.00                          | 99,009                       |
| 2013           | 8.00                          | 99,252                       |
| 2012           | 8.00                          | 99,038                       |
| 2011           | 5.50                          | 68,035                       |
| 2010           | 8.00                          | 98,877                       |
| 2009           | 5.50                          | 65,873                       |
| 2008           | 2.75                          | 32,389                       |
| 2007           | 2.31                          | 27,435                       |
| 2006           | 1.84                          | 21,173                       |
| 2005           | 1.33                          | 14,110                       |
| 2004           | 1.18                          | 12,295                       |
| 2003           | 0.93                          | 9,550                        |
| 2002           | 0.28                          | 2,808                        |
| 2001           | 0.40                          | 4,000                        |
| <b>Total</b>   |                               | <b>1,250,032</b>             |

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

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

## TOP GLOVE CORPORATION BHD.

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

#### 8. Segmental reporting

- a. Primary reporting segment – Geographical segments.

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

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

#### 12 months ended 31 August 2018

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



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

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

There were no significant changes in the composition of the Group for the quarter under review, including business combination, acquisition or disposal of subsidiaries and long-term investment, restructuring and discontinuing operations.

#### **12. Contingent liabilities**

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

The fair value of the corporate guarantees granted by the Company to banks in respect of loans and borrowings obtained by its subsidiaries is not material as the difference in borrowing rates charged by the banks is not significant in the absence of such guarantees.

#### **13. Capital commitments**

As at the end of the reporting quarter, the Company had approved and contracted for capital expenditures amounting approximately to RM186.9 million.

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

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

#### 14. Review of performance

A comparison of Top Glove's performance for the fourth quarter ended 31 August 2018 ("4QFY18") and full year (FY2018) with the corresponding period last financial year is as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
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The financial results of Top Glove since financial year 2008 are as follows:

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

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

#### 15. Comparison of 4QFY18 Quarterly Profit Before Tax (PBT) with preceding quarter

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

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

#### 16. Commentary on prospects and targets

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

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

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

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

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

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Not applicable as no profit forecast was issued.

**18. Taxation**

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

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

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

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

**20. Purchase and disposal of quoted securities**

There was no purchase or disposal of quoted securities by the Group for the current quarter and financial year-to-date.

**21. Status of corporate proposals announced**

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

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

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

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
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|                            | <b>As at<br/>31 August 2018</b>                |  |
|----------------------------|--|--|
|                            | <b>Contract/Notional<br/>Amount<br/>RM'000</b> | <b>Fair value<br/>Liabilities<br/>RM'000</b> |
| Forward currency contracts | 366,348  | (856)  |

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

During the year-to-date ended 31 August 2018, the Group recognised a loss of RM2.3 million arising from changes in fair value of the forward currency contracts.

**23. Fair value hierarchy**

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

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

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

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

As at 31 August 2018, the Group held the following financial assets and liabilities that are measured at fair value:

|   | Level 1<br>RM'000 | Level 2<br>RM'000 | Total<br>RM'000 |
|---|-------------------|-------------------|-----------------|
| Assets measured at fair value:                        |                   |                   |                 |
| Available-for-sale financial assets                   |                   |                   |                 |
| -Debt securities (quoted outside Malaysia)            | 106,019           | -                 | 106,019         |
| Financial assets at fair value through profit or loss |                   |                   |                 |
| -Money market funds (quoted in Malaysia)              | 87,695            | -                 | 87,695          |
| Liabilities measured at fair value:                   |                   |                   |                 |
| Derivative financial instruments                      | -                 | (856)             | (856)           |

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
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The Group loans and borrowings as at 31 August 2018 were as follows:

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

Exchange rate RM to USD1.00

4.1075

4.2695

Exchange rate RM to THB1.00

0.1255

0.1286



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

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

**27. Material litigation**

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

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

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

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

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

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

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

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

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

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

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

#### 28. Dividends

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

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

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

#### 29. Earnings per share

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