



## 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 FOURTH QUARTER ENDED 31 AUGUST 2022

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31 Aug 2022	31 Aug 2021	31 Aug 2022	31 Aug 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	990,102	2,074,884	5,572,507	16,361,443
Operating expenses	(1,073,378)	(1,499,380)	(5,318,867)	(6,470,973)
Other operating income	42,010	46,396	119,956	144,886
<b>(Loss)/Profit from operations</b>	<b>(41,266)</b>	<b>621,900</b>	<b>373,596</b>	<b>10,035,356</b>
Finance costs	(1,345)	(1,096)	(4,408)	(4,187)
Share of results of an associate	(1,419)	(155)	(3,710)	2,644
<b>(Loss)/Profit before tax</b>	<b>(44,030)</b>	<b>620,649</b>	<b>365,478</b>	<b>10,033,813</b>
Taxation	2,293	(150,046)	(73,232)	(2,209,821)
<b>(Loss)/Profit net of tax</b>	<b>(41,737)</b>	<b>470,603</b>	<b>292,246</b>	<b>7,823,992</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the parent	(52,586)	447,400	235,972	7,710,327
Holder of Perpetual Sukuk	11,748	12,943	50,164	51,350
Non controlling interests	(899)	10,260	6,110	62,315
	<b>(41,737)</b>	<b>470,603</b>	<b>292,246</b>	<b>7,823,992</b>
<b>(Loss)/Earnings per share attributable to owners of the parent, sen:</b>				
Basic	<b>(0.66)</b>	<b>5.59</b>	<b>2.95</b>	<b>95.91</b>
Diluted	<b>(0.65)</b>	<b>5.58</b>	<b>2.91</b>	<b>95.83</b>

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 2021.

**TOP GLOVE CORPORATION BHD.**

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2022**

	<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 2022</b>	<b>31 Aug 2021</b>	<b>31 Aug 2022</b>	<b>31 Aug 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit net of tax	(41,737)	470,603	292,246	7,823,992
<b>Other comprehensive loss :</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net movement on debt securities at fair value through other comprehensive income	(2,670)	505	(12,485)	1,844
Foreign currency translation differences of foreign operations	(29,315)	(28,871)	(15,158)	(21,075)
Cash flow hedge	0	0	0	2,690
<b>Other comprehensive loss, net of tax</b>	<b>(31,985)</b>	<b>(28,366)</b>	<b>(27,643)</b>	<b>(16,541)</b>
<b>Total comprehensive (loss)/income</b>	<b>(73,722)</b>	<b>442,237</b>	<b>264,603</b>	<b>7,807,451</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the parent	(83,483)	420,010	209,639	7,695,240
Holder of Perpetual Sukuk	11,748	12,943	50,164	51,350
Non controlling interests	(1,987)	9,284	4,800	60,861
	<b>(73,722)</b>	<b>442,237</b>	<b>264,603</b>	<b>7,807,451</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 2021.

**TOP GLOVE CORPORATION BHD.**

Company No.199801018294 [474423-X]

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2022**

	Unaudited as at 31 Aug 2022 RM'000	Audited as at 31 Aug 2021 RM'000
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	4,502,915	3,958,715
Right-of-use assets	206,155	210,649
Investment property	231,895	227,400
Investment in an associate	9,360	13,069
Deferred tax assets	16,684	17,073
Biological assets	1,170	574
Investment securities: Unquoted investments	392	392
Intangible assets	1,005,325	1,008,795
	<b>5,973,896</b>	<b>5,436,667</b>
<b>Current assets</b>		
Inventories	564,016	1,144,705
Trade and other receivables	236,081	566,299
Other current assets	108,193	118,174
Current tax asset	232,668	5,803
Derivative financial instruments	0	2,411
Investment securities: Debt securities	236,639	306,622
Investment securities: Money market funds	269,680	1,323,297
Cash and bank balances	444,081	878,446
	<b>2,091,358</b>	<b>4,345,757</b>
<b>Total assets</b>	<b>8,065,254</b>	<b>9,782,424</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	426,435	692,361
Contract liabilities	190,480	737,627
Loans and borrowings	306,122	312,704
Lease liabilities	2,479	5,542
Income tax payable	16,242	450,023
Derivative financial instruments	70	230
	<b>941,828</b>	<b>2,198,487</b>
<b>Net current assets</b>	<b>1,149,530</b>	<b>2,147,270</b>
<b>Non current liabilities</b>		
Loans and borrowings	92,964	146,002
Lease liabilities	14,869	18,127
Deferred tax liabilities	204,322	191,200
Provisions	6,713	8,448
	<b>318,868</b>	<b>363,777</b>
<b>Total liabilities</b>	<b>1,260,696</b>	<b>2,562,264</b>
<b>Net assets</b>	<b>6,804,558</b>	<b>7,220,160</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	1,842,189	1,841,654
Treasury shares	(1,412,201)	(1,413,274)
Retained earnings	5,051,221	5,342,360
Other reserves	109,088	101,663
	<b>5,590,297</b>	<b>5,872,403</b>
Perpetual Sukuk	1,175,694	1,295,262
Non controlling interests	38,567	52,495
<b>Total equity</b>	<b>6,804,558</b>	<b>7,220,160</b>
<b>Total equity and liabilities</b>	<b>8,065,254</b>	<b>9,782,424</b>
<b>Net assets per share attributable to ordinary equity holders of the parent, RM</b>	<b>0.70</b>	<b>0.73</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2021.

**TOP GLOVE CORPORATION BHD**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**AS AT 31 AUGUST 2022**

	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	Non distributable			Cash flow hedge reserve RM'000	Other reserve RM'000	Fair value adjustment reserve RM'000	Distributable		
Foreign exchange reserve RM'000					Legal reserve RM'000	Share option reserve RM'000	Retained earnings RM'000				Perpetual sukuk RM'000		
<b>12 months ended 31 August 2022</b>													
<b>Opening balance at 1 September 2021</b>	<b>7,220,160</b>	<b>5,872,403</b>	<b>1,841,654</b>	<b>(1,413,274)</b>	<b>24,928</b>	<b>27,569</b>	<b>34,596</b>	<b>0</b>	<b>12,726</b>	<b>1,844</b>	<b>5,342,360</b>	<b>1,295,262</b>	<b>52,495</b>
Profit net of tax	292,246	235,972	0	0	0	0	0	0	0	0	235,972	50,164	6,110
Other comprehensive loss	(27,643)	(26,333)	0	0	(13,848)	0	0	0	0	(12,485)	0	0	(1,310)
<b>Total comprehensive income/(loss)</b>	<b>264,603</b>	<b>209,639</b>	<b>0</b>	<b>0</b>	<b>(13,848)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(12,485)</b>	<b>235,972</b>	<b>50,164</b>	<b>4,800</b>
<b>Transactions with owners</b>													
Issuance of ordinary shares pursuant to ESOS	497	497	497	0	0	0	0	0	0	0	0	0	0
Share options granted under ESOS	36,199	36,199	0	0	0	0	36,199	0	0	0	0	0	0
Transfer from share option reserve/retained earnings	0	0	38	0	0	0	(3,999)	0	1,558	0	2,403	0	0
Transfer to Employee Share Grant Plan	149	149	0	1,073	0	0	0	0	0	0	(924)	0	0
Distribution to holders of Perpetual Sukuk	(50,164)	0	0	0	0	0	0	0	0	0	0	(50,164)	0
Redemption of Perpetual Sukuk	(119,602)	(34)	0	0	0	0	0	0	0	0	(34)	(119,568)	0
Dividends on ordinary shares/non controlling interests	(547,284)	(528,556)	0	0	0	0	0	0	0	0	(528,556)	0	(18,728)
<b>Total transactions with owners</b>	<b>(680,205)</b>	<b>(491,745)</b>	<b>535</b>	<b>1,073</b>	<b>0</b>	<b>0</b>	<b>32,200</b>	<b>0</b>	<b>1,558</b>	<b>0</b>	<b>(527,111)</b>	<b>(169,732)</b>	<b>(18,728)</b>
<b>Closing balance at 31 August 2022</b>	<b>6,804,558</b>	<b>5,590,297</b>	<b>1,842,189</b>	<b>(1,412,201)</b>	<b>11,080</b>	<b>27,569</b>	<b>66,796</b>	<b>0</b>	<b>14,284</b>	<b>(10,641)</b>	<b>5,051,221</b>	<b>1,175,694</b>	<b>38,567</b>
<b>12 months ended 31 August 2021</b>													
<b>Opening balance at 1 September 2020</b>	<b>6,190,883</b>	<b>4,870,755</b>	<b>1,675,704</b>	<b>(1,519)</b>	<b>44,549</b>	<b>10,088</b>	<b>5,319</b>	<b>(2,690)</b>	<b>7,774</b>	<b>0</b>	<b>3,131,530</b>	<b>1,295,262</b>	<b>24,866</b>
Profit net of tax	7,823,992	7,710,327	0	0	0	0	0	0	0	0	7,710,327	51,350	62,315
Other comprehensive (loss)/income	(16,541)	(15,087)	0	0	(19,621)	0	0	2,690	0	1,844	0	0	(1,454)
<b>Total comprehensive income/(loss)</b>	<b>7,807,451</b>	<b>7,695,240</b>	<b>0</b>	<b>0</b>	<b>(19,621)</b>	<b>0</b>	<b>0</b>	<b>2,690</b>	<b>0</b>	<b>1,844</b>	<b>7,710,327</b>	<b>51,350</b>	<b>60,861</b>
<b>Transactions with owners</b>													
Issuance of ordinary shares pursuant to ESOS	58,061	58,061	58,061	0	0	0	0	0	0	0	0	0	0
Issuance of ordinary shares pursuant to conversion of exchangeable bonds	104,387	104,387	104,387	0	0	0	0	0	0	0	0	0	0
Issuance of shares to non controlling interests	300	0	0	0	0	0	0	0	0	0	0	0	300
Share options granted under ESOS	33,983	33,983	0	0	0	0	33,983	0	0	0	0	0	0
Transfer from share option reserve/retained earnings/ tax incentive reserve/Employee Share Grant Plan	6,631	6,631	3,502	10,830	0	17,481	(4,706)	0	4,952	0	(25,428)	0	0
Purchase of treasury shares	(1,422,585)	(1,422,585)	0	(1,422,585)	0	0	0	0	0	0	0	0	0
Distribution to holders of Perpetual Sukuk	(51,350)	0	0	0	0	0	0	0	0	0	0	(51,350)	0
Dividends on ordinary shares/non controlling interests	(5,507,601)	(5,474,069)	0	0	0	0	0	0	0	0	(5,474,069)	0	(33,532)
<b>Total transactions with owners</b>	<b>(6,778,174)</b>	<b>(6,693,592)</b>	<b>165,950</b>	<b>(1,411,755)</b>	<b>0</b>	<b>17,481</b>	<b>29,277</b>	<b>0</b>	<b>4,952</b>	<b>0</b>	<b>(5,499,497)</b>	<b>(51,350)</b>	<b>(33,232)</b>
<b>Closing balance at 31 August 2021</b>	<b>7,220,160</b>	<b>5,872,403</b>	<b>1,841,654</b>	<b>(1,413,274)</b>	<b>24,928</b>	<b>27,569</b>	<b>34,596</b>	<b>0</b>	<b>12,726</b>	<b>1,844</b>	<b>5,342,360</b>	<b>1,295,262</b>	<b>52,495</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 2021.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
AS AT 31 AUGUST 2022**

	<b>Current Year To Date Ended 31 Aug 2022 RM'000</b>	<b>Corresponding Year To Date Ended 31 Aug 2021 RM'000</b>
<b>Operating activities</b>		
Profit before tax	365,478	10,033,813
Depreciation and amortisation	348,152	308,664
Other adjustments	85,328	120,633
<b>Operating cash flows before changes in working capital</b>	<b>798,958</b>	<b>10,463,110</b>
<b>Changes in working capital</b>		
Net changes in current assets	885,438	(537,361)
Net changes in current liabilities	(825,036)	(254,547)
<b>Cash flows from operating activities</b>	<b>859,360</b>	<b>9,671,202</b>
Interest paid	(4,408)	(4,187)
Income taxes paid	(719,439)	(1,840,082)
<b>Net cash flows generated from operating activities</b>	<b>135,513</b>	<b>7,826,933</b>
<b>Investing activities</b>		
Withdrawal of money market funds	1,053,617	351,334
Disposal/(Purchase) of debt securities	11,072	(300,204)
Purchase of property, plant and equipment	(918,916)	(1,362,227)
Proceeds from disposal of property, plant and equipment	2,977	1,258
Interest received	23,930	61,575
Net (increase)/decrease in bank balances pledged with banks and monies held in debt service reserve account	(912)	364
<b>Net cash flows generated from/(used in) investing activities</b>	<b>171,768</b>	<b>(1,247,900)</b>
<b>Financing activities</b>		
Dividends paid on ordinary shares	(528,556)	(5,474,069)
Dividends paid on non controlling interests	(18,728)	(33,532)
Issuance of shares to non controlling interests	0	300
Proceeds from issuance of ordinary shares pursuant to ESOS	497	56,051
Purchase of treasury shares	0	(1,422,585)
Payment of principal portion of lease liabilities	(4,843)	(4,264)
Distribution paid to Perpetual Sukuk holders	(50,164)	(51,350)
Redemption of Perpetual Sukuk	(119,602)	0
(Repayment)/Drawdown of loans and borrowings	(18,887)	27,139
<b>Net cash flows used in financing activities</b>	<b>(740,283)</b>	<b>(6,902,310)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(433,002)</b>	<b>(323,277)</b>
Effects of changes in foreign exchange rate	(2,275)	(6,472)
<b>Cash and cash equivalents at 1 September 2021/2020</b>	<b>875,198</b>	<b>1,204,947</b>
<b>Cash and cash equivalents at 31 August 2022/2021</b>	<b>439,921</b>	<b>875,198</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2021.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2022**

**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 2021. 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 2021.

The audited financial statements of the Group for the year ended 31 August 2021 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 2021 except for the adoption of the following amendments to MFRSs:

**Description**

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2  
Amendment to MFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

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 2021 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 August 2022.

**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.

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

During the financial period ended 31 August 2022:

- a) A total of 241,200 new ordinary shares were issued pursuant to the exercise of the ESOS. Details of the issued and paid up capital of the Company as at 31 August 2022 are as follows:

	<b>No. of shares</b>	<b>RM'000</b>
As at 31 August 2021	8,206,864,034	1,841,654
Ordinary shares issued pursuant to the ESOS	241,200	535
As at 31 August 2022	8,207,105,234	1,842,189

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2022 (CONTINUED)

#### 6. Changes in debts and equity securities (continued)

- b) The Company transferred 149,500 treasury shares to eligible employees under the ESGP at an average market price of RM0.994 per share. The total transferred treasury shares net of transaction costs were RM149,000. The difference between the transferred treasury shares and the cost of the treasury shares which amounted to RM924,000 was recognised in equity.

As at the end of the financial year to date under review, of the total 8,207,105,234 issued and fully paid ordinary shares, 199,764,300 ordinary shares are held as treasury shares by the Company.

- c) During the financial period ended 31 August 2022, the Company's 100% owned subsidiary, TG Excellence Berhad has redeemed and cancelled an aggregate RM120 million nominal value of Perpetual Sukuk under the Shariah principle of Wakalah Bi Al-Istithmar. As at 31 August 2022, the net nominal value of Perpetual Sukuk was RM1.18 billion.

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 August 2022.

#### 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
<b>Total</b>		<b>7,841,847</b>

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.

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2022 (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.

#### 12 months ended 31 August 2022

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>						
External sales	4,813,330	446,449	30,653	282,075	0	5,572,507
Intersegment sales	167,959	455,859	371	316	(624,505)	0
Total Revenue	4,981,289	902,308	31,024	282,391	(624,505)	5,572,507
<u>Result</u>						
<u>Segment</u>						
profit/(loss)	297,203	104,487	(8,788)	(19,306)	0	373,596
Finance cost	(1,363)	(642)	0	(2,403)	0	(4,408)
Share of result of an associate	(3,710)	0	0	0	0	(3,710)
Profit before tax						365,478
<u>Assets</u>						
Segment assets	5,446,823	731,684	167,210	455,500	1,264,037	8,065,254
Intangible assets	1,005,325	0	0	0	0	1,005,325
<u>Liabilities</u>						
Segment liabilities	765,581	71,284	6,369	196,898	220,564	1,260,696

- 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.

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

During the quarter under review, a wholly owned subsidiary Top Biotech Sdn. Bhd had been added to the Group.

Other than the above, there were 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.



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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2022 (CONTINUED)

#### 12. Contingent liabilities

A nominal amount of RM399 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 RM577 million.

### 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 2022 ("4QFY2022") and full financial year 2022 ("FY2022") with the corresponding period last financial year is as follows:

	4QFY2022	4QFY2021	Variance	FY2022	FY2021	Variance
	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Revenue	990	2,075	(52)	5,573	16,361	(66)
Operating (loss)/profit	(41)	622	(107)	374	10,035	(96)
(Loss)/Profit before interest and tax	(48)	607	(108)	345	9,976	(97)
(Loss)/Profit before tax	(44)	621	(107)	365	10,034	(96)
(Loss)/Profit after tax	(42)	471	(109)	292	7,824	(96)
(Loss)/Profit attributable to owners of the parent	(53)	447	(112)	236	7,710	(97)

The Group delivered Sales Revenue of RM5.57 billion and Profit After Tax of RM292 million for financial year 2022 (FY2022). For 4QFY2022, the Group recorded Sales Revenue amounting to RM990 million, while posting a quarterly Loss After Tax of RM42 million. The glove industry is experiencing the effects of normalisation after delivering exceptionally high earnings over the past 2 years, due to the surge in demand for gloves and higher ASPs during the pandemic.

The Group's softer financial performance came as the industry weathers an adjustment period, contending with the twin factors of oversupply coupled with excess stockpiling by customers during the pandemic. This has led to a slowdown in orders, setting average selling prices (ASPs) on a downward trend, which has been aggravated as customers adopt a "wait and see" approach in anticipation of a further decline in ASPs. Following the decline in ASPs, the Group has also written down its inventory value to net realisable value by RM56 million in 4QFY2022 and by RM229 million for FY2022. Additionally, the Group saw an escalation in cost structure attributed to global supply chain disruptions. On the domestic front, it was impacted by approximately a 60% hike in natural gas tariff over the course of FY2022, as well as a 25% increase in the Malaysian minimum wage from RM1,200 to RM1,500 which took effect in May 2022. The escalating costs, which the Group is unable to pass on to customers amidst the ongoing oversupply situation, have impacted its bottom line.

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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	2018	2019	2020	2021	2022 (unaudited)
Revenue	1,378	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	5,573
EBITDA	198	288	365	197	298	311	302	442	525	489	694	687	2,421	10,285	694
EBITDA margin	14%	19%	18%	10%	13%	13%	13%	18%	18%	14%	16%	14%	33%	63%	12%
PBT	135	222	305	145	241	242	216	363	442	393	523	424	2,166	10,034	365
PBT margin	10%	15%	15%	7%	10%	11%	10%	15%	15%	12%	12%	9%	30%	61%	7%
Taxation	27	54	55	30	34	39	32	82	80	54	90	56	377	2,210	73
PAT	108	168	250	115	207	203	184	281	362	339	433	368	1,789	7,824	292
PAT margin	8%	11%	12%	6%	9%	9%	8%	11%	13%	10%	10%	8%	25%	48%	5%

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2022 (CONTINUED)

#### 15. Comparison of quarterly financial results with preceding quarter

	4QFY2022 RM'mil	3QFY2022 RM'mil	Variance %
Revenue	990	1,493	(34)
Operating (loss)/profit	(41)	41	(200)
(Loss)/Profit before interest and tax	(48)	35	(237)
(Loss)/Profit before tax	(44)	38	(216)
(Loss)/Profit after tax	(42)	29	(245)
(Loss)/Profit attributable to owners of the parent	(53)	15	(453)

For 4QFY2022, the Group's Sales Revenue was RM990 million while Loss After Tax was RM42 million, with the softer performance attributed to factors as per the explanation in Note 14.

Raw material prices were lower compared with 3QFY2022, with the average natural latex concentrate price on the downtrend, easing 10% to RM5.85/kg, and the average nitrile latex price also eased by 5% to USD1.05/kg.

#### 16. Commentary on prospects and targets

To ensure the Group is well positioned to navigate this challenging period, its primary focus is on operational efficiency and cost rationalisation. Towards this, Top Glove has swiftly responded, establishing mitigating measures which include deferring all CAPEX for new capacity in 2023, in view of lower utilisation levels. It has also embarked on streamlining facilities, focusing on enhancing those producing its in house supply of materials. In addition, Top Glove continues to collaborate with its suppliers towards ensuring more cost effective procurement for a win win outcome.

In tandem, efforts will be directed towards recapturing sales to the U.S., promoting more cost efficient products, while developing value added products and enhancing its green product line. In addition, it has resumed participation in trade shows and customer visits.

Despite the oversupply situation, Top Glove remains confident that once customers' stockpiles are depleted and glove restocking activity resumes, the market will stabilise and be better positioned to absorb the additional supply from new capacity. As the glove industry is estimated to be running at below 50% utilisation, glove supply is expected to reduce accordingly. The Group anticipates that industry consolidation will follow, further reducing glove supply and paving the way for recovery.

In view of glove ASPs starting to stabilise, the Group has also increased its ASPs by 5% for October 2022, so as to enable cost pass through, in view of the rising cost in the past 1 year.

The challenging environment notwithstanding, Top Glove remains steadfast in its commitment to do well and deliver value to its stakeholders across the sustainability spectrum. Top Glove was honoured to have garnered several awards and accolades over the course of FY2022, the most recent being named the *Company of Year* for Overall Excellence in Sustainability and CSR under the Manufacturing category at the *Sustainability & CSR Malaysia Awards 2022*, in recognition of its corporate social responsibility activities, including financial contributions, donations of personal protective equipment, and philanthropic activities totalling approximately RM190 million in 2021.

In the near term, the business environment is expected to remain challenging into 2023, as customers continue to deplete pipeline inventories and glove demand/supply gradually equilibrates. However, the Group believes that recovery is on the horizon.

The Group is optimistic that once the demand/supply mechanism rebalances, the glove demand will resume its 10% growth per annum as projected by Malaysian Rubber Glove Manufacturers Association (MARGMA), in line with actual demand underpinned by rising usage and hygiene awareness. The industry's fundamentals remain intact as there are no structural changes to the industry; gloves remain an essential item in the medical sector with no viable replacement, and are also disposable which means demand is recurring.

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Not applicable as no profit forecast was issued.

**18. Taxation**

	Quarter Ended		Year To Date Ended	
	31 Aug 2022	31 Aug 2021	31 Aug 2022	31 Aug 2021
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current quarter/year	(4,476)	100,443	66,643	2,140,483
Under/(Over) provision				
in respect of prior year	257	(1,786)	(7,872)	17,146
Deferred tax	1,926	51,389	14,438	52,192
Real property gain tax	0	0	23	0
	<u>(2,293)</u>	<u>150,046</u>	<u>73,232</u>	<u>2,209,821</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 investment securities**

	Quarter Ended	Year To Date Ended
	31 Aug 2022	31 Aug 2022
	RM'000	RM'000
Investment in money market funds	30,957	633,982
Withdrawal of money market funds	26,916	1,687,599
Investment in debt securities	6,596	84,988
Disposal of debt securities	0	96,060

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**

	As at 31 Aug 2022	
	Contract/Notional	Fair Value
	Amount	RM'000
	RM'000	RM'000
Forward currency contracts		
• Derivative financial liabilities	8,450	(70)

As at 31 August 2022, the Group held forward contracts designated as hedges of expected future sales to customers for which the Group has firm commitments. Forward currency contracts used to hedge the Group's sales are denominated in USD for which firm commitments existed at the reporting date, extending to October 2022.

During the year to date ended 31 August 2022, the Group recognised a loss of RM2,250,000 arising from changes in fair value of the forward currency contracts.

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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 2022, the Group held the following financial assets/(liabilities) that are measured at fair value:

	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
Assets/(liabilities) measured at fair value:				
Financial assets at fair value through profit or loss				
• Unquoted investments	0	0	392	392
• Debt securities (quoted outside Malaysia)	202,273	0	0	202,273
• Money market funds (quoted in Malaysia)	269,680	0	0	269,680
Financial liabilities at fair value through profit or loss				
• Derivative financial instruments	0	(70)	0	(70)
Financial assets at fair value through other comprehensive income				
• Debt securities (quoted outside Malaysia)	34,366	0	0	34,366

**24. Group loans and borrowings**

The Group loans and borrowings as at 31 August 2022 were as follows:

	<b>As at 31 Aug 2022 RM'000</b>	<b>As at 31 Aug 2021 RM'000</b>
<b>Current</b>		
Unsecured		
Bank borrowings	252,399	281,939
Term loan	53,723	30,765
Total current borrowings	306,122	312,704
<b>Non-current</b>		
Unsecured		
Term loan	92,964	146,002
Total non-current borrowings	92,964	146,002

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Summary of all loans and borrowings:

	Foreign Currency Denominated '000	As at 31 Aug 2022 RM'000		Foreign Currency Denominated '000	As at 31 Aug 2021 RM'000
USD	20,361	91,307	USD	22,472	93,687
RM	938	938	RM	4,688	4,688
THB	0	0	THB	25,000	3,203
EUR	50,407	226,510	EUR	54,479	268,226
JPY	2,340,770	75,747	JPY	2,340,770	88,902
VDN	23,798,107	4,584	VDN	0	0
<b>Total loans and borrowings</b>		<b>399,086</b>			<b>458,706</b>
Exchange rate RM to USD1		4.4845			4.1690
Exchange rate RM to THB1		0.1230			0.1281
Exchange rate RM to EUR1		4.4834			4.9213
Exchange rate RM to JPY1		0.0324			0.0380
Exchange rate RM to VDN100		0.0191			0.0183

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

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

	Quarter Ended 31 Aug 2022 RM'000	Year To Date Ended 31 Aug 2022 RM'000
Interest income	5,390	23,930
Interest expense	(1,345)	(4,408)
Other income including investment income	8,229	32,959
Gain on disposal of debt securities	17	1,301
Realised foreign exchange gain	6,998	3,853
Unrealised foreign exchange gain	21,376	57,913
Fair value loss on foreign exchange contracts	(285)	(2,250)
Depreciation and amortisation	(89,710)	(348,152)

**26. 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.

**27. Dividends**

The Board of Directors had on 10 December 2021, declared a single tier interim dividend of 1.2 sen per ordinary share and paid on 10 January 2022, amounting to RM96 million for the first quarter ended 30 November 2021.

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

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	Quarter Ended		Year To Date Ended	
	31 Aug 2022	31 Aug 2021	31 Aug 2022	31 Aug 2021
(Loss)/Profit net of tax attributable to owners of the parent (RM'000)	<u>(52,586)</u>	<u>447,400</u>	<u>235,972</u>	<u>7,710,327</u>
<b>Basic</b>				
Weighted average number of ordinary shares in issue ('000)	<u>8,008,305</u>	<u>8,005,950</u>	<u>8,008,211</u>	<u>8,039,195</u>
<b>Basic (loss)/earnings per share (sen)</b>	<u>(0.66)</u>	<u>5.59</u>	<u>2.95</u>	<u>95.91</u>
<b>Diluted</b>				
Weighted average number of ordinary shares in issue ('000)	8,008,305	8,005,950	8,008,211	8,039,195
Effect of dilution from:				
Share options ('000)	<u>121,623</u>	<u>4,839</u>	<u>93,799</u>	<u>6,753</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>8,129,928</u>	<u>8,010,789</u>	<u>8,102,010</u>	<u>8,045,948</u>
<b>Diluted (loss)/earnings per share (sen)</b>	<u>(0.65)</u>	<u>5.58</u>	<u>2.91</u>	<u>95.83</u>