



## TOP GLOVE CORPORATION BHD.

Company No.199801018294 [474423-X]

The World's Largest Manufacturer of Gloves

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### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THIRD QUARTER ENDED 31 MAY 2023

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	530,620	1,492,659	1,781,157	4,582,405
Operating expenses	(649,476)	(1,461,012)	(2,188,727)	(4,183,717)
<b>(Loss)/Profit from operations</b>	<b>(118,856)</b>	<b>31,647</b>	<b>(407,570)</b>	<b>398,688</b>
Other operating (expenses)/income	(17,550)	5,673	(29,946)	(2,365)
Share of results of an associate	(2,737)	(2,035)	(3,139)	(2,291)
<b>(Loss)/Profit before interest and tax</b>	<b>(139,143)</b>	<b>35,285</b>	<b>(440,655)</b>	<b>394,032</b>
Interest income	4,437	4,149	13,099	18,540
Finance costs	(3,826)	(1,045)	(8,547)	(3,063)
<b>(Loss)/Profit before tax</b>	<b>(138,532)</b>	<b>38,389</b>	<b>(436,103)</b>	<b>409,509</b>
Taxation	18,179	(9,114)	3,157	(75,525)
<b>(Loss)/Profit net of tax</b>	<b>(120,353)</b>	<b>29,275</b>	<b>(432,946)</b>	<b>333,984</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the parent	(130,589)	15,292	(463,493)	288,559
Holders of Perpetual Sukuk	11,749	12,397	34,862	38,416
Non controlling interests	(1,513)	1,586	(4,315)	7,009
	<b>(120,353)</b>	<b>29,275</b>	<b>(432,946)</b>	<b>333,984</b>
<b>(Loss)/Earnings per share attributable to owners of the parent, sen:</b>				
<b>Basic</b>	<b>(1.63)</b>	<b>0.19</b>	<b>(5.79)</b>	<b>3.60</b>
<b>Diluted</b>	<b>(1.63)</b>	<b>0.19</b>	<b>(5.79)</b>	<b>3.60</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 2022.

**TOP GLOVE CORPORATION BHD.**

Company No.199801018294 [474423-X]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 31 MAY 2023**

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit net of tax	(120,353)	29,275	(432,946)	333,984
<b>Other comprehensive income :</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	(767)	(3,579)	(2,818)	(9,815)
Foreign currency translation differences of foreign operations	32,740	11,331	58,098	14,157
<b>Other comprehensive income, net of tax</b>	<b>31,973</b>	<b>7,752</b>	<b>55,280</b>	<b>4,342</b>
<b>Total comprehensive (loss)/income</b>	<b>(88,380)</b>	<b>37,027</b>	<b>(377,666)</b>	<b>338,326</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the parent	(99,556)	23,029	(410,077)	293,123
Holders of Perpetual Sukuk	11,749	12,397	34,862	38,416
Non controlling interests	(573)	1,601	(2,451)	6,787
	<b>(88,380)</b>	<b>37,027</b>	<b>(377,666)</b>	<b>338,326</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 2022.

**TOP GLOVE CORPORATION BHD.**

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2023**

	<b>Unaudited as at 31 May 2023 RM'000</b>	<b>Audited as at 31 Aug 2022 RM'000</b>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	4,473,966	4,522,203
Right-of-use assets	221,024	223,833
Investment property	227,400	227,400
Investment in an associate	6,221	9,359
Deferred tax assets	8,404	15,911
Biological assets	1,650	1,170
Investment securities: Unquoted investments	392	392
Intangible assets	1,002,786	1,005,325
	<b>5,941,843</b>	<b>6,005,593</b>
<b>Current assets</b>		
Inventories	330,067	575,262
Trade and other receivables	229,690	258,791
Other current assets	97,673	96,061
Tax recoverable	13,783	230,087
Investment securities: Debt securities	231,882	236,223
Investment securities: Money market funds	365,074	277,093
Cash and bank balances	390,928	437,597
	<b>1,659,097</b>	<b>2,111,114</b>
<b>Total assets</b>	<b>7,600,940</b>	<b>8,116,707</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	256,452	459,357
Contract liabilities	104,114	216,565
Loans and borrowings	613,544	306,122
Lease liabilities	809	2,610
Income tax payable	15,957	11,765
Derivative financial instruments	9	66
	<b>990,885</b>	<b>996,485</b>
<b>Net current assets</b>	<b>668,212</b>	<b>1,114,629</b>
<b>Non current liabilities</b>		
Loans and borrowings	23,913	92,964
Lease liabilities	15,845	15,372
Deferred tax liabilities	178,245	209,280
Provisions	7,264	9,371
	<b>225,267</b>	<b>326,987</b>
<b>Total liabilities</b>	<b>1,216,152</b>	<b>1,323,472</b>
<b>Net assets</b>	<b>6,384,788</b>	<b>6,793,235</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	1,843,043	1,842,189
Treasury shares	(1,412,270)	(1,412,270)
Retained earnings	4,591,771	5,041,670
Other reserves	147,978	107,633
	<b>5,170,522</b>	<b>5,579,222</b>
Perpetual Sukuk	1,175,694	1,175,694
Non controlling interests	38,572	38,319
<b>Total equity</b>	<b>6,384,788</b>	<b>6,793,235</b>
<b>Total equity and liabilities</b>	<b>7,600,940</b>	<b>8,116,707</b>
<b>Net assets per share attributable to ordinary equity holders of the parent, RM</b>	<b>0.65</b>	<b>0.70</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 2022.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 31 MAY 2023**

	←————— Attributable to owners of the parent —————→												
	Total equity RM'000	←————— Total equity attributable to owners of the parent RM'000		Non distributable					Distributable			Non controlling interests RM'000	
		Share capital RM'000	Treasury shares RM'000	Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Other reserve RM'000	Fair value adjustment reserve RM'000	Retained earnings RM'000	Perpetual sukuk RM'000			
<b>9 months ended 31 May 2023</b>													
<b>Opening balance at 1 September 2022</b>	<b>6,793,235</b>	<b>5,579,222</b>	<b>1,842,189</b>	<b>(1,412,270)</b>	<b>10,830</b>	<b>27,569</b>	<b>66,007</b>	<b>14,284</b>	<b>(11,057)</b>	<b>5,041,670</b>	<b>1,175,694</b>	<b>38,319</b>	
(Loss)/Profit net of tax	(432,946)	(463,493)	0	0	0	0	0	0	0	(463,493)	34,862	(4,315)	
Other comprehensive income/(loss)	55,280	53,416	0	0	56,234	0	0	0	(2,818)	0	0	1,864	
<b>Total comprehensive (loss)/income</b>	<b>(377,666)</b>	<b>(410,077)</b>	<b>0</b>	<b>0</b>	<b>56,234</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,818)</b>	<b>(463,493)</b>	<b>34,862</b>	<b>(2,451)</b>	
<b>Transactions with owners</b>													
Issuance of ordinary shares pursuant to ESOS	643	643	643	0	0	0	0	0	0	0	0	0	0
Share options granted under ESOS	392	392	0	0	0	0	392	0	0	0	0	0	0
ESOS forfeited	0	0	0	0	0	0	(13,656)	0	0	13,656	0	0	0
Transfer to Employee Share Grant Plan	0	0	211	0	0	0	(211)	0	0	0	0	0	0
Transfer to tax incentive reserve	0	0	0	0	0	0	0	404	0	(404)	0	0	0
Adjustment in relation to part disposal of equity interest in a subsidiary company	3,046	342	0	0	0	0	0	0	0	342	0	2,704	0
Distribution to holders of Perpetual Sukuk	(34,862)	0	0	0	0	0	0	0	0	0	(34,862)	0	0
<b>Total transactions with owners</b>	<b>(30,781)</b>	<b>1,377</b>	<b>854</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(13,475)</b>	<b>404</b>	<b>0</b>	<b>13,594</b>	<b>(34,862)</b>	<b>2,704</b>	<b>0</b>
<b>Closing balance at 31 May 2023</b>	<b>6,384,788</b>	<b>5,170,522</b>	<b>1,843,043</b>	<b>(1,412,270)</b>	<b>67,064</b>	<b>27,569</b>	<b>52,532</b>	<b>14,688</b>	<b>(13,875)</b>	<b>4,591,771</b>	<b>1,175,694</b>	<b>38,572</b>	
<b>9 months ended 31 May 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>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	333,984	288,559	0	0	0	0	0	0	0	288,559	38,416	7,009	
Other comprehensive income/(loss)	4,342	4,564	0	0	14,379	0	0	0	(9,815)	0	0	(222)	
<b>Total comprehensive income/(loss)</b>	<b>338,326</b>	<b>293,123</b>	<b>0</b>	<b>0</b>	<b>14,379</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(9,815)</b>	<b>288,559</b>	<b>38,416</b>	<b>6,787</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	7,006	7,006	0	0	0	0	7,006	0	0	0	0	0	0
Transfer from share option reserve/retained earnings	0	0	38	0	0	0	(2,699)	1,362	0	1,299	0	0	0
Distribution to holders of Perpetual Sukuk	(38,416)	0	0	0	0	0	0	0	0	0	(38,416)	0	0
Redemption of Perpetual Sukuk	(119,603)	(35)	0	0	0	0	0	0	0	(35)	(119,568)	0	0
Dividends on ordinary shares/non controlling interests	(547,358)	(528,556)	0	0	0	0	0	0	0	(528,556)	0	(18,802)	0
<b>Total transactions with owners</b>	<b>(697,874)</b>	<b>(521,088)</b>	<b>535</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,307</b>	<b>1,362</b>	<b>0</b>	<b>(527,292)</b>	<b>(157,984)</b>	<b>(18,802)</b>	<b>0</b>
<b>Closing balance at 31 May 2022</b>	<b>6,860,612</b>	<b>5,644,438</b>	<b>1,842,189</b>	<b>(1,413,274)</b>	<b>39,307</b>	<b>27,569</b>	<b>38,903</b>	<b>14,088</b>	<b>(7,971)</b>	<b>5,103,627</b>	<b>1,175,694</b>	<b>40,480</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 2022.

**TOP GLOVE CORPORATION BHD.**

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
AS AT 31 MAY 2023**

	<b>Current Year To Date Ended 31 May 2023 RM'000</b>	<b>Corresponding Year To Date Ended 31 May 2022 RM'000</b>
<b>Operating activities</b>		
(Loss)/Profit before tax	(436,103)	409,509
Depreciation and amortisation	265,311	258,442
Other adjustments	33,908	21,835
<b>Operating cash flows before changes in working capital</b>	<b>(136,884)</b>	<b>689,786</b>
<b>Changes in working capital</b>		
Net changes in current assets	271,990	578,666
Net changes in current liabilities	(272,059)	(601,161)
<b>Cash flows (used in)/generated from operating activities</b>	<b>(136,953)</b>	<b>667,291</b>
Interest paid	(8,547)	(3,063)
Income taxes refunded/(paid)	200,713	(708,772)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>55,213</b>	<b>(44,544)</b>
<b>Investing activities</b>		
(Placement)/withdrawal of money market funds	(87,570)	1,057,658
(Purchase)/Disposal of debt securities	(2,125)	21,428
Purchase of property, plant and equipment	(236,100)	(748,817)
Proceeds from disposal of property, plant and equipment	2,290	2,349
Proceeds from part disposal of equity interest in a subsidiary company	3,046	0
Interest received	13,099	18,540
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(307,360)</b>	<b>351,158</b>
<b>Financing activities</b>		
Dividends paid on ordinary shares	0	(528,556)
Dividends paid on non controlling interests	0	(18,802)
Proceeds from issuance of ordinary shares pursuant to ESOS	643	497
Payment of principal portion of lease liabilities	(1,998)	(3,742)
Distribution paid to Perpetual Sukuk holders	(23,113)	(26,019)
Redemption of Perpetual Sukuk	0	(119,603)
Drawdown of loans and borrowings	220,907	6,041
<b>Net cash flows generated from/(used in) financing activities</b>	<b>196,439</b>	<b>(690,184)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(55,708)</b>	<b>(383,570)</b>
Effects of changes in foreign exchange rate	9,039	(6,620)
<b>Cash and cash equivalents at 1 September 2022/2021</b>	<b>437,597</b>	<b>878,446</b>
<b>Cash and cash equivalents at 31 May 2023/2022</b>	<b>390,928</b>	<b>488,256</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2022.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 MAY 2023**

**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 2022. 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 2022.

The audited financial statements of the Group for the year ended 31 August 2022 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 2022 except for the adoption of the following amendments to MFRSs:

**Description**

Annual improvements to MFRS Standards 2018 - 2020:

- Amendments to MFRS 1: Adoption of Malaysian Financial Reporting Standards
- Amendments to MFRS 9: Financial Instruments
- Amendments to MFRS 141: Agriculture

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract

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 2022 was not subject to any qualification.

**3. Seasonal or cyclical factors**

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

**4. Extraordinary and exceptional items**

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 31 May 2023.

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

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

## TOP GLOVE CORPORATION BHD.

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2023 (CONTINUED)

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

During the financial period ended 31 May 2023:

- a) A total of 642,500 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 May 2023 are as follows:

	No. of shares	RM'000
As at 31 August 2022	8,207,105,234	1,842,189
Ordinary shares issued pursuant to the ESOS	642,500	854
As at 31 May 2023	8,207,747,734	1,843,043

- b) As at the end of the financial period to date under review, of the total 8,207,747,734 issued and fully paid ordinary shares, 199,764,300 ordinary shares are held as treasury shares by the Company.

Other than the above, there were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in the financial period ended 31 May 2023.

#### 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.

## TOP GLOVE CORPORATION BHD.

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2023 (CONTINUED)

#### 8. Segmental reporting

- a. Primary reporting segment – Geographical segments.

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

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

#### 9 months ended 31 May 2023

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>						
External sales	1,573,565	112,980	6,526	88,085	0	1,781,157
Intersegment sales	57,411	156,015	84	202	(213,711)	0
Total Revenue	<u>1,630,977</u>	<u>268,995</u>	<u>6,610</u>	<u>88,287</u>	<u>(213,711)</u>	<u>1,781,157</u>
<u>Result</u>						
Segment loss	(342,566)	(36,490)	(7,160)	(38,201)	0	(424,417)
Finance cost	(3,728)	(451)	0	(4,367)	0	(8,547)
Share of result of an associate	(3,139)	0	0	0	0	<u>(3,139)</u>
Loss before tax						<u>(436,103)</u>
<u>Assets</u>						
Segment assets	5,542,322	693,013	92,522	439,601	833,482	7,600,940
Intangible assets	1,002,786	0	0	0	0	<u>1,002,786</u>
<u>Liabilities</u>						
Segment liabilities	817,102	45,866	3,295	155,689	194,200	<u>1,216,152</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.

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

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



## TOP GLOVE CORPORATION BHD.

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2023 (CONTINUED)

#### 12. Contingent liabilities

A nominal amount of RM637 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 RM310.8 million.

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

#### 14. Review of performance

A comparison of Top Glove's performance for the third quarter ended 31 May 2023 ("3QFY2023") and the 9 months year to date 31 May 2023 ("9MFY2023") with the corresponding period last financial year is as follows:

	3QFY2023	3QFY2022	Variance	9MFY2023	9MFY2022	Variance
	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Revenue	531	1,493	(64)	1,781	4,582	(61)
(Loss)/Profit from operations	(119)	32	(472)	(408)	399	(202)
(Loss)/Profit before interest and tax	(139)	35	(497)	(441)	394	(212)
(Loss)/Profit before tax	(139)	38	(466)	(436)	410	(206)
(Loss)/Profit after tax	(120)	29	(514)	(433)	334	(230)
(Loss)/Profit attributable to owners of the parent	(131)	15	(973)	(463)	289	(260)

For 3QFY2023, the Group recorded Sales Revenue of RM531 million and Loss After Tax of RM120 million; while on 9 months basis Sales Revenue amounted to RM1.78 billion with Loss After Tax of RM433 million.

Amidst a challenging business landscape, the Group's overall operating performance improved as Loss After Tax reduced by 23% from the previous financial quarter, attributed to an increase in glove ASPs of 6%, coupled with quality and cost optimisation initiatives to streamline operations. The measures employed include decommissioning obsolete production lines and temporarily stopping production at 17 out of its 49 factories, in light of the softer global glove demand which the glove industry continues to contend with. The decommissioning of production lines eases the Group's production capacity by 5 billion pieces of gloves, bringing its total production capacity to 95 billion pieces of gloves. In addition, the Group implemented a manpower restructuring exercise.

The Group is mindful that being at the forefront of a glove price increase will have an impact on its Sales Volume. However, as glove manufacturers are unable to fully absorb rising costs indefinitely, this is a necessary step for the long term sustainability of the glove industry, which industry players have followed suit.

Raw material prices were lower compared with 3QFY2022, with the average natural latex concentrate price on a downtrend, easing 27% to RM4.78/kg, while the average nitrile latex price also eased by 17% to USD0.92/kg.

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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	2018	2019	2020	2021	2022	9MFY2023 (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	5,572	1,781
E/(L)BITDA	198	288	365	197	298	311	302	442	525	489	694	687	2,421	10,285	687	(175)
E/(L)BITDA margin	14%	19%	18%	10%	13%	13%	13%	18%	18%	14%	16%	14%	33%	63%	12%	(10%)
P/(L)BT	135	222	305	145	241	242	216	363	442	393	523	424	2,166	10,034	358	(436)
P/(L)BT margin	10%	15%	15%	7%	10%	11%	10%	15%	15%	12%	12%	9%	30%	61%	6%	(24%)
Taxation	(27)	(54)	(55)	(30)	(34)	(39)	(32)	(82)	(80)	(54)	(90)	(56)	(377)	(2,210)	(76)	3
P/(L)AT	108	168	250	115	207	203	184	281	362	339	433	368	1,789	7,824	282	(433)
P/(L)AT margin	8%	11%	12%	6%	9%	9%	8%	11%	13%	10%	10%	8%	25%	48%	5%	(24%)

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2023 (CONTINUED)

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

	3QFY2023 RM'mil	2QFY2023 RM'mil	Variance %
Revenue	531	618	(14)
Loss from operations	(119)	(154)	23
Loss before interest and tax	(139)	(147)	5
Loss before tax	(139)	(146)	5
Loss after tax	(120)	(155)	23
Loss attributable to owners of the parent	(131)	(165)	21

For 3QFY2023, the Group registered Sales Revenue of RM531 million, while Loss After Tax was RM120 million, which has improved from its Loss After Tax of RM155 million in 2QFY2023, driven by increased average selling prices (ASPs) as well as ongoing quality and cost optimisation measures.

Raw material prices for 3QFY2023 were on an uptrend quarter on quarter, with the average natural latex concentrate price up by 2% to RM4.78/kg while the average nitrile latex price also increased by 7% to USD0.92/kg. Meanwhile, natural gas price was on the decline, decreasing 14% from RM67.16/MMBtu to RM57.74/MMBtu.

#### 16. Commentary on prospects and targets

Charting its path to recovery, the Group has in place a 6 point comeback strategy, the Top Glove Turnaround Plan (T6). Aimed at 1) boosting sales volume, 2) enhancing quality, 3) consolidating facilities, 4) enhancing people productivity, 5) strengthening cash flow position and 6) optimising supply chain, T6 is expected to have a pivotal role in revitalising the Group.

The Group is steadfast in its commitment to upholding the United Nations Guiding Principles on Business and Human Rights (BHR), which are integral to responsible and sustainable business practices. With guidance from the Board and the support of Board Committees who have oversight of the various BHR initiatives, it continues to foster a BHR conscious culture. The Group has also embarked on BHR and Traceability training for vendors, ensuring the robustness of its supply chain.

While the business environment is expected to remain challenging and competitive throughout the 2<sup>nd</sup> half of calendar year 2023, the Group is optimistic on long term prospects as gloves continue to be an essential item for single usage in the healthcare and food industries.

#### 17. Variance of actual profits from forecast profits

Not applicable as no profit forecast was issued.

#### 18. Taxation

	Quarter Ended		Year To Date Ended	
	31 May 2023 RM'000	31 May 2022 RM'000	31 May 2023 RM'000	31 May 2022 RM'000
Income tax				
Current quarter/year	337	(8,783)	23,988	71,119
Under/ (over) provision in respect of prior year	41	(8,152)	(3,637)	(8,129)
Deferred tax	(18,557)	26,049	(23,530)	12,512
Real property gain tax	0	0	22	23
	<u>(18,179)</u>	<u>9,114</u>	<u>(3,157)</u>	<u>75,525</u>

The tax credit position is due to the reversal of deferred tax liabilities from recognising of unutilized tax losses and tax incentives.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 MAY 2023 (CONTINUED)****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**

	<b>Quarter Ended 31 May 2023 RM'000</b>	<b>Year To Date Ended 31 May 2023 RM'000</b>
Placement in money market funds	316,642	334,753
Withdrawal of money market funds	65,347	247,183
Investment in debt securities	0	2,125

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**

	<b>As at 31 May 2023</b>	
	<b>Contract/Notional Amount RM'000</b>	<b>Fair Value RM'000</b>
Forward currency contracts		
• Derivative financial liabilities	5,540	(9)

As at 31 May 2023, 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 August 2023.

During the year to date ended 31 May 2023, the Group recognised a gain of RM61,000 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 May 2023, 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)	198,707	0	0	198,707
• Money market funds (quoted in Malaysia)	365,074	0	0	365,074
Financial liabilities at fair value through profit or loss				
• Derivative financial instruments	0	(9)	0	(9)
Financial assets at fair value through other comprehensive income				
• Debt securities (quoted outside Malaysia)	33,175	0	0	33,175

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 MAY 2023 (CONTINUED)****24. Group loans and borrowings**

The Group loans and borrowings as at 31 May 2023 were as follows:

	<b>As at 31 May 2023 RM'000</b>	<b>As at 31 May 2022 RM'000</b>
<b>Current</b>		
Unsecured		
Bank borrowings	521,976	276,080
Term loan	<u>91,568</u>	<u>57,328</u>
Total current borrowings	<u>613,544</u>	<u>333,408</u>
<b>Non-current</b>		
Unsecured		
Term loan	<u>23,913</u>	<u>107,355</u>
Total non-current borrowings	<u>23,913</u>	<u>107,355</u>

Summary of all loans and borrowings:

	<b>Foreign Currency Denominated '000</b>	<b>As at 31 May 2023 RM'000</b>		<b>Foreign Currency Denominated '000</b>	<b>As at 31 May 2022 RM'000</b>
USD	13,846	63,921	USD	22,925	100,310
RM	0	0	RM	1,875	1,875
THB	0	0	THB	55,000	7,042
EUR	46,121	228,017	EUR	52,443	246,908
JPY	10,460,770	345,519	JPY	2,340,770	79,960
VDN	0	0	VDN	23,798,107	4,668
<b>Total loans and borrowings</b>		<u>637,457</u>			<u>440,763</u>

Exchange rate RM to USD1	4.6165	4.3755
Exchange rate RM to THB1	0.1329	0.1280
Exchange rate RM to EUR1	4.9387	4.7043
Exchange rate RM to JPY1	0.0330	0.0342
Exchange rate RM to VDN100	0.0197	0.0189

**25. Material litigation**

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

**26. Dividends**

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

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 MAY 2023 (CONTINUED)****27. Notes to the Statement of Comprehensive Income**

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

	<b>Quarter Ended 31 May 2023 RM'000</b>	<b>Year To Date Ended 31 May 2023 RM'000</b>
Interest income	4,437	13,099
Interest expense	(3,826)	(8,547)
Reversal/(allowance) for inventories written down	9,746	(8,212)
Depreciation and amortisation	(88,802)	(265,311)
Other operating (expenses)/income:		
Realised foreign exchange loss	(883)	(11,107)
Unrealised foreign exchange gain/(loss)	5,170	(5,296)
Net fair value gain on derivatives	1,953	61
Fair value loss on investment securities	(22,740)	(13,829)
Gain on disposal of money market fund	502	1,470
Other income	7,142	15,891
Property, plant and equipment written off	(5,565)	(13,542)
Loss on disposal of equipments	(1,282)	(1,747)
Bad debts written off	(577)	(577)
Net additional of allowance for expected credit loss	(1,270)	(1,270)
	<u>(17,550)</u>	<u>(29,946)</u>

**28. (Loss)/Earnings per share**

	<b>Quarter Ended</b>		<b>Year To Date Ended</b>	
	<b>31 May 2023</b>	<b>31 May 2022</b>	<b>31 May 2023</b>	<b>31 May 2022</b>
(Loss)/Profit net of tax attributable to owners of the parent (RM'000)	<u>(130,589)</u>	<u>15,292</u>	<u>(463,493)</u>	<u>288,559</u>
<b>Basic</b>				
Weighted average number of ordinary shares in issue ('000)	<u>8,008,581</u>	<u>8,008,245</u>	<u>8,008,467</u>	<u>8,008,190</u>
<b>Basic (loss)/earnings per share (sen)</b>	<u>(1.63)</u>	<u>0.19</u>	<u>(5.79)</u>	<u>3.60</u>
<b>Diluted</b>				
Weighted average number of ordinary shares in issue ('000)	8,008,581	8,008,245	8,008,467	8,008,190
Effect of dilution from:				
Share options ('000)	<u>175</u>	<u>405</u>	<u>0</u>	<u>2,386</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>8,008,756</u>	<u>8,008,650</u>	<u>8,008,467</u>	<u>8,010,576</u>
<b>Diluted (loss)/earnings per share (sen)</b>	<u>(1.63)</u>	<u>0.19</u>	<u>(5.79)</u>	<u>3.60</u>